GOD, GOLD AND GOVERNMENT

HOWARD E. KERSHNER

HN31
.K41

LIBRARY OF PRINCETON
DEC 8 1977
THEOLOGICAL SEMINARY

HN31
.K41

God, Gold and Government

GOD, GOLD AND GOVERNMENT

LIBRARY OF PRINCETON
DEC 8 1977
THEOLOGICAL SEMINARY

The Interrelationship of Christianity, Freedom, Self-Government and Economic Well-Being

BY
HOWARD E. KERSHNER, A.B., L.H.D., LL.D.

Prentice-Hall, Inc.
Englewood Cliffs, N.J.

© Copyright 1957 by
PRENTICE-HALL, INC.
ENGLEWOOD CLIFFS, N.J.

Copyright under International and Pan-American
Copyright Conventions.

All rights reserved, including the right to reproduce
this book, or any portions thereof, in any form, except
for the inclusion of brief quotations in a review.

LIBRARY OF CONGRESS CATALOG CARD NUMBER 57-6176

PRINTED IN THE UNITED STATES OF AMERICA

(Hardbound: 35751)
(Paperbound: 35750)

To the ministers of America:

Brave, devoted ambassadors of Christ!
Who labor unselfishly for others!
Who hold the line of Freedom!
With many of whom it has been
My privilege to work in close
Association and cordial friendship
For many long, happy years,

This book is affectionately dedicated.

CONTENTS

INTRODUCTION 11

PART ONE: *GOD*

1 THE PLACE OF GOD IN MAN'S LIFE 19
Man's Most Constructive Act—The Dance of the Star Clusters—"My Lord and My God"—God's World—A Talk With the Captain—The Storehouse of Wisdom—Creative Worship—Renewing the Vision—Technical Competence Essential—The Perfect Landing.

2 THE SOURCE OF MAN'S FREEDOM 40
The Charter of Our Liberty—The Basis of a Free Society—The Fallacy of the Middle Way—The Mightiest Revolution—The Spirit of the Lord and Liberty.

PART TWO: *GOLD*

3 THE MIRACLE OF AMERICA 59
Spiritual Ideals of the Founders—Knowledge Essential to Freedom—Importance of Trusted Money—

Inflation Here and Elsewhere—Dishonest Money and Moral Decline.

4 ONE HUNDRED GIANTS 72
Work of the Giants—Identity of the Giants—Who Owns These Giants?—More Giants Needed and How to Get Them.

5 THE NATURE OF PROFIT 82
Production for Use—Origin of Profit—How Profit Serves Us—Profit and Stewardship.

6 DIVIDING THE WEALTH 91
The Appeal from Jesus to Caesar—A Fallacy Exposed—Some Consequences of Wealth Division—The Way to Have More—Equalizing Wealth Destroys Civilization.

PART THREE: *GOVERNMENT*

7 LIMITED GOVERNMENT 105
Some Failures of Socialism—Divine Right of the People—How Government Gains Control—Freedom and Managed Economy Inimical—Some Government Intervention Failures—Two Depressions Compared—Government Proliferation—The Great Apostasy.

8 SOCIALISM—REVERSAL OF GOD'S DESIGN 124
Approaches to Socialism—Socialism and Chaos in Accounting—Socialism Obtains Capital Only by Seizure—No Means of Choosing Competent Men—Socialism is Retrogression—Anti-God Nature of Socialism—The "Social Gospel" by Force is Impossible.

BIBLIOGRAPHY 139
INDEX 143

INTRODUCTION

Bright Hope for Abundance

We are living in a time of great adventure and hope. We can surmount the dangers that threaten to plunge us into another period of "Dark Ages." If men succeed in retaining or, perhaps I should say, gaining their freedom, and avoiding government control of economic activities, abundant atomic power could complete the industrial revolution begun nearly a century and a half ago and finally and forever free mankind from age-long drudgery and back-breaking toil. It could make possible the dream of conquering poverty, overcoming famine, and lifting the standard of well-being for all. It could sweeten the waters of the sea and make them available for irrigating the desert areas of the earth. It could supply the power necessary for producing oil from shale, essential minerals from igneous rock, and chemicals from the air and from the sea.

Automation, or mechanized factory operation, will shorten working hours, increase pay, and cause abundant production of many kinds of essential goods. The standard of living can

be raised almost indefinitely, with a resulting wider and wider margin of time and energy for cultural and spiritual pursuits. These blessings may be made available not only for the people of our country but for all men everywhere.

The astronomical indebtedness that today afflicts the world could be swallowed up in a vast volume of increased production that would make it manageable.

This bright hope of abundance and peace is within the reach of men. Blocking its attainment is lack of understanding and human selfishness, which seeks power and does not permit peace.

Before men can realize this dream, they must achieve the integrity which comes from loyalty to the moral principles underlying all great religions, and supremely expressed, I believe, in the Christian religion; they must learn the importance of sound money and freedom in the market place and they must find a way to curb the desire of men to exercise greater power over their fellows.

In the early history of our country our fathers made much progress toward these goals. How did they do it?

In the first place they were God-fearing, God-worshiping men. Many virtues flowed from their belief in God—integrity, truthfulness, reliability, and respect for the moral law.

Being honest, they established honest money of intrinsic value not subject to disastrous inflation. That is the second reason for the spiritual and material well-being achieved in America.

People who worship God realize the unique importance of the individual and resist the tendency of government to violate human personality by oppressive measures of control or enslavement. Strictly limited government, dependent upon the people, is the third reason for the miracle achieved in our country.

The interrelationship among Christianity, sound money, economic well-being, and free self-government has been a

favorite theme of the author for many years. If men do not practice the Christian virtues of honesty, truthfulness, generosity, kindness, and good will, there is no hope that they can be free. If they are not loyal to these ideals, there is nothing to restrain the strong from enslaving the weak. On the other hand, if men do not maintain their freedom they will not be permitted to promulgate Christianity. In more than half of the world they are not free to do so now. Unless we have both Christianity and freedom we shall find it impossible to maintain self-government and to achieve economic well-being and a satisfactory culture.

I have used the title "God, Gold and Government" to indicate the three principal reasons for the miracle of America and the three parts into which this book is divided.

The first part—God—is primarily concerned with the relationship of man to God.

The second part—Gold—refers not only to our monetary system but to our whole economic organization as well.

In the third part—Government—I seek to set forth the main reasons why a strictly limited government is essential for the preservation of freedom and prosperity.

I first used the title "God, Gold and Government" in an address delivered in 1952. Out of some six tons of manuscripts submitted to Freedoms Foundation at Valley Forge, Pennsylvania, it was awarded the first prize in the essay category—a gold medal and $1,000.

The theme was later used for the American Heritage Series of five lectures delivered at Fuller Theological Seminary, Pasadena, California, April 9 to 13, 1955. The material in these lectures has been reorganized and expanded to form this book.

It is my purpose to show that the laws of God, whether in the moral world or in the realm of economics, are one and the same, and to make clear, by the use of history, reason, and experience, how religion, economics, and government

intertwine and intermingle—how they act and react one upon another. Much reading, study, and wide observation in some forty countries have been focused in this book.

The philosophy of freedom cannot be expounded adequately and fully between the covers of one small book. The generalizations made necessary by this brief presentation will not satisfy some readers. The alternative was a bigger volume filled with more details and consequently less attractive to the public.

Some chapters are devoted more particularly to moral and religious considerations and others more especially to economic problems, money, profit, and government, but I have endeavored to show the close interrelationship, interdependence, and essential oneness of all of the activities of man. The Ten Commandments are the basis of economic law even as they are of moral law. Man must live his life and carry on his work in cooperation with, and under the direction of God, on weekdays as well as on Sundays, if he is to achieve the happiness, harmony, and well-being which I believe are the design and purpose of God for him.

For the convenience of those who wish to pursue their study of the philosophy—perhaps I should say the science—of freedom, a bibliography has been added.

I am grateful to the First National City Bank (New York) Monthly Letter for data concerning America's 100 largest manufacturing corporations used in Chapter 4; to Dr. Loring O. McCormick for the account given of trusted money in ancient Egypt, Crete, Greece, and Rome; to Mr. Percy L. Greaves, Jr., for the privilege of discussing with him some of the material appearing in parts of this book; to Dr. V. Orval Watts for suggesting the inclusion in Chapter 6 of a few paragraphs describing life in the Middle Ages; and to Lynn Jordan, Claire V. Cooper, Anne Hildreth, Donna Duncan and Josephine Stone for typing and proofreading.

Dr. McCormick is the sole survivor of a committee of distinguished economists who made a study of the monetary history of the world for the League of Nations. The report was later lost or suppressed.

HOWARD E. KERSHNER

New York City

PART ONE

GOD

Chapter 1

THE PLACE OF GOD IN MAN'S LIFE

Man's Most Constructive Act

Worship is the most constructive act of man. It always precedes his greatest accomplishments. Lifting one's heart to God quickens the imagination, broadens the vision, and inspires to more than normal effort.

From worship came the inspiration that led Abraham forth to found a great nation and a great religion. Everywhere he went, the record tells us, he built an altar unto the Lord.

After forty years of worship and meditation in the wilderness, Moses gained the insight and the strength to lead forth from Egypt a horde of slaves, and under most trying and difficult conditions in the desert, to forge from this disorganized mob a disciplined and dedicated people.

No man ever worshiped as truly and as often as Jesus, who became the most constructive force that has ever entered into this world.

Let us note two modern examples of how worship changes

the affairs of men and galvanizes the commonplace into the extraordinary.

The crowning of Queen Elizabeth II might have been just another military spectacle, but because she and others prayed earnestly that it might be an occasion of spiritual dedication, it became a profoundly moving experience for the entire British Commonwealth. A discouraged people took heart. They seemed to be saying, the great days of Britain are not over; what has been done in the past can be done again. There was a quickening of life, a distinct upward thrust because the Queen led in a movement of asking that God be given His proper place of leadership in the affairs of the British Commonwealth.

When we surveyed the ruins of German cities at the close of World War II, the situation seemed almost hopeless. The people were huddled in cellars. Often several families were crowded into a one-family house, and many were living in flimsy barracks or Quonset huts.

In Cologne, the great cathedral had an enormous hole through its roof, many of its arches were broken, windows gone, and pillars and statuary in ruins.

In the presence of such catastrophe the people seemed dazed, not knowing where to take hold or how to begin. Then someone conceived the idea of celebrating the 700th anniversary of the founding of the cathedral. Thirty thousand people came together to celebrate that event and to lift their minds and hearts to God.

They thought about the faith of their fathers who built those mighty pillars. They remembered that through the centuries men and women had dwelt round about who believed that God lived in the vaulted arches of that great Gothic poem in stone lace. "Maybe God did live there!" they said. "He might still live there! Especially if we repair the cathedral, and maybe He will help us do it!

"Suppose the spirits of the saints still dwell in these statues

adorning the interior of the cathedral, and standing steadfastly in the many niches and pinnacles all over its exterior. Will they not come to help us restore this mighty monument to the faith of men?" They prayed, believed, and were inspired.

With exalted hearts and uplifted imaginations they began to clear away the rubble. Two years of inertia vanished as they set to work with a will. One is reminded of the fifty-two days in which Nehemiah and his followers rebuilt the walls of Jerusalem because, as he put it, ". . . the people had a mind to work." (Neh. 4:6).

Countless tons of rock were cleared away, the pillars were rebuilt, the arches reconstructed, the roof repaired, and the windows replaced. Much of the beauty of this great monument to a mediaeval people's adoration for God was restored. The people were taking heart once more.

And then they seemed to say to themselves, "If we can rebuild our cathedral, we can rebuild our homes, our factories and our places of business." Soon the city was undergoing a great renovation. The spirit of these people spread to surrounding cities, and the greatest building campaign in the history of mankind took place. Business revived, and the western part of a bisected, bomb-destroyed country, which had been looted of much of its movable wealth by the Russians, occupied and burdened by four foreign powers in their respective zones and flooded with twelve million refugees from the east, was once more on the road to recovering its prosperity. The revival and expansion of industrial activity in Western Germany is one of the wonders of the modern world.

All this seems to have started because men turned their thoughts toward God. That is indeed the starting point of all successful human activity. When men lift their hearts to God, their minds and muscles are galvanized with new energy, and progress takes place. "The fear of the Lord is the beginning of wisdom" (Psalms 111:10) and it is also the beginning of man's successful efforts to overcome his environment and

achieve economic well-being. No truer words were ever spoken than ". . . seek ye first the kingdom of God, and His righteousness; and all these things shall be added unto you" (Matt. 6:33).

If men would give God His rightful place at the head of their council tables, and seek to know and do His will, the solving of life's problems, the conquering of poverty, and the achieving of international peace, as well as personal salvation and eternal life, all would follow. That is the place that God should occupy in the affairs of men. In very truth, worship is the most constructive act of man and from it flows his most worth-while accomplishments.

The Dance of the Star Clusters

If I were to strike a match and the light were to travel unobstructed, it would flash seven times around the earth in one second—a distance of 175,000 miles. In one minute the beam would travel 10½ million miles; in one hour, 630 million miles; in one day 15,120,000,000 miles and in one year, 5½ trillion miles. The latter is called a light-year, and is the astronomical unit of measurement.

In our imagination let us now ride this beam out into space. In a little more than one second we pass the moon; in about nine minutes the sun is behind us, and in a few years we flash by the nearest of the fixed stars. After many thousands of years, traveling 5½ trillion miles every year, we shall be out beyond the farthest star visible to the naked eye.

The cluster of stars in which we live is shaped something like a watch. Our solar system is near the center. When we look out the thin way, we see the heavens full of individual stars. When we look out the thick way, toward the rim of the watch, we see the Milky Way. The vast numbers of stars give the appearance of a blur. This whole collection of many bil-

lions of shining suns is our galaxy. It is tens of thousands of light years across the thin way, and into the hundreds of thousands the thick way.

But the beam of light we are riding has now left the Milky Way and we are rushing through the immense distances of space. On and on we go, millions of light years, through infinitely cold and unrelieved darkness. Occasionally we come to another galaxy or Milky Way system, perhaps many times larger than ours. After some millions of years, we pass through it, and go on to another and another. We pass through myriads of systems. They are in all directions, extending out into space from our own local Milky Way. But on and on we go, traveling 5½ trillion miles a year for 150 billion years. If we have the time, we may mount another beam and travel 150 billion years in the opposite direction. We know that we live in a universe more than 300 billion light years in diameter and containing an infinite number of galaxies, each with its billions of shining suns, some of which may have planets of their own like our earth and the other planets which revolve about our sun.

Standing now, far out in space, 150 billion light-years from the earth, we have come to the end of man's knowledge of the heavens. The most powerful telescopes will penetrate no farther. What is beyond? We do not know. So far as we can tell the celestial universe goes on and on forever, filled with spiral nebulae, great star clusters and galaxies similar to or larger than our own. Where does it end and what is beyond it? Only God can fathom that mystery! In the presence of endless time or space, the human mind falters and stops. All we can say at that point is "God!"

Let us pause a moment and stretch our minds to the limit in an effort to comprehend these words. Here we are, far out in God's unfathomable space. It is infinitely cold, and the blackness is impenetrable. We have come through myriads of blazing galaxies with their billions of great burning suns, in-

finitely bright, but we are now far beyond them all, in complete darkness and cold—150 billion light-years distant from the earth! Human passions cool as we sit out here thinking about it.

No one can visualize a billion. If one were to lay down a million dollars' worth of one-thousand-dollar bills, the pile would be about ten inches high, but if one were to lay down a billion dollars' worth of one-thousand-dollar bills the pile would be as high as the Empire State Building in New York. No one can comprehend a billion, but here we are 150 billion light-years out in space. And if we cannot comprehend one billion, how much more incomprehensible is the distance of a light-year—5½ trillion miles. Truly the ways and thoughts of God are so far above those of man as to be incomprehensible, and in all reverence we can only say, "God!

"My Lord and My God"

Now let us turn our attention to the minutiae of our universe. With the best aids to human vision we cannot even see the atom. With electronic devices, however, we can penetrate it, and in it we find a microcosm similar to our solar system. At the center is a proton and revolving about it are electrons, infinitesimally small. The spaces between the proton and the electrons are relatively as great as the spaces which separate the planets and the sun in our solar system. Matter, like space, is almost all empty nothingness, with just a few tiny electrons and protons here and there, like stars in the heavens.

But, locked up in this invisible atom is the mighty power that keeps the suns blazing in the heavens for millions of years after millions of years. The mind of man staggers and comes to a full stop in the presence of the infinite power of God, hidden away in these units of matter too small to see.

Most astonishing of all, perhaps, is the fact that man—who

in size stands about midway between the vast celestial spaces we have been considering and the infinitesimally small world of the electrons—has the power of discovering these facts, of thinking these thoughts of God after Him, and of sitting in contemplation of all he discerns around him!

Who did all these mighty works? Who swung the stars in the heavens and causes them to keep their appointed rounds, always on time and in perfect balance? Who strung the galaxies through illimitable space in infinite numbers and powered by energies beyond the conception of man? Who created electrons and protons and put them together in atoms carrying such frightening power?

I am reminded of the time I accompanied one of my little nephews on his first train ride. Suddenly we flashed through a tunnel. He said nothing during the few seconds we were in darkness but when we emerged he looked at me with astonishment written all over his face, and said, "Who done that?"

That is my question when I think of the handiwork of God—who did it all, and why, and what is our place in the scheme of things?

No wonder the Psalmist said: "When I consider thy heavens, the work of thy fingers, the moon and the stars, which thou hast ordained; what is man, that thou are mindful of him? And the son of man that thou visitest him?" (Psalms 8:3-4).

The world of the Psalmist was very simple in comparison to ours. He knew nothing about electrons, protons, atoms, or molecules and he thought the few stars he could see were studded in a dome forming the sky and only a few miles distant. He could not have imagined the wonders of the atomic world or the unfathomable distance of 300 billion light-years. Even so, he was filled with awe and wonder.

Modern man, contemplating the unfathomable mysteries of God's creation, should be thrilled with infinitely more awe, amazement, and reverence than the ancient Psalmist. As a

thoughtful, discerning man contemplates the works of God he sees around him, it seems to me there is only one expression suitable for him to utter. That is the five words which burst forth from the lips of the doubting apostle when finally convinced that his Lord and Master had risen from the dead. When he could doubt no longer, St. Thomas, in repentance, admiration, reverence, loyalty, and dedication sank to his knees exclaiming, "My Lord and my God!" What more can man say and how can he say less?

God's World

Some say there is no God, but how did this marvelous world come into existence? It could not have happened fortuitously as the result of atoms flying around willy-nilly in space. Even though electrons, atoms, and molecules could in some manner have come into existence without God, which is unthinkable, they, nevertheless, could not have arranged themselves in such ways as to form automobiles, radios, music, the human brain, love, and personality. To say it all "just happened" is, to me, completely irrational. Scientifically it is impossible.

If I place 100 marbles in a long tube, pour them out into a basket and then pour them back into the tube, once every so often they will go back into the tube in the same order they were in before being poured out. By the law of probabilities, mathematicians can tell you how often that would happen. They can tell you also how often the atoms comprising the universe might conceivably get themselves into their present shape, though they cannot explain the creation of the atom. They would tell you, I think, that the universe has not been in existence long enough for this to have happened.

Obviously the universe has been designed. No power but God could have done it! It is irrational to believe that God

was merely fooling around when He made this whole creation. He must have had a plan. Certainly He knew what he was doing and why. Since He had the power to create the universe, we must assume that He has the power to carry out His plan to successful completion. He is both the architect and the engineer. He is doing something and going somewhere. There is no doubt that He will succeed with His undertaking.

It is our glory that we have a part to play in this plan, and it is our main business in life, it seems to me, to understand enough of the plan of the Creator to enable us to cooperate with Him. Reverently, I say that God cannot complete His plan without our cooperation.

Only God knows why we are here; only God put us here, and only God created the setting in which we find ourselves. Our first responsibility and our greatest privilege, I believe, is to get into contact with Him and to find out how He wants us to live in order best to promote His plan and to provide for our own safety, well-being, and achievement of sonship to God. When there is serious business in hand, one always wishes to be acquainted with the top authority, with the boss of the job, with the one who knows the most about it.

When my brother was ill, I could not rest until I had talked with the physician who knew most about his condition. I was not satisfied with any second-rate authority. If you have a difficult building problem, you want the best architect. If you are in legal trouble, you want the best lawyer.

When I was a lad growing up in the immense forest of southern Missouri, the nearest habitation was miles away. At the age of four and five, I sometimes got lost in the woods. But when Father was with me I never had the slightest fear. He could solve every problem. Even on a dark, stormy night I was not frightened by the howling of the wolves. I could put my hand in his and march with perfect assurance through the blackest night. All I had to do was to cooperate with him; and

that, I was eager and happy to do. Similar to this should be our relationship to God.

A Talk With the Captain

If we were on a space ship, I think we would want to know where we were going, how the captain expected to land, where he would get fuel, and how he would take off again for the return journey. Our first concern, I believe, would be to have a talk with the captain about these important matters.

But we are on the greatest space ship of all time. This old earth upon which we ride is rotating upon its axis at the rate of about 1,000 miles per hour. It is revolving around the sun at a speed of about one and three-quarter million miles a day. The sun and all its planets are rushing through space at an inconceivable rate, and space itself may be moving for all we know. Talk about a space ship! We're having the grandest ride of all. Surely we want to be on good terms with the Captain and feel that the communication between Him and us is perfect. We want to know why we are here, where we are going, and what provision has been made for our safety in the future.

A hydrogen bomb might wipe us out before the close of this day. If so, what would be our future? Have we the assurance and the faith to say with St. Paul, "For I am persuaded, that neither death, nor life, nor angels, nor principalities, nor powers, nor things present, nor things to come, nor height, nor depth, nor any other creature, shall be able to separate us from the love of God, which is in Christ Jesus our Lord" (Romans 8:38-39).

If we do not have that assurance in our hearts, then it is our privilege to seek it at once. We must get acquainted with God to find out where our space ship is going. We want some assurance for our future. Indeed, we want to cooperate with

Him. He planned the universe and made it all, including us. Our daily activities are of small concern in comparison with the welfare of our souls and our future throughout endless time to come. It is the first business of every person to make his peace with God, to get on good terms with Him, and to begin cooperating to the fullest extent of his ability. I would not say that it is so much our duty to do this as a very high and wonderful privilege. Nothing else within the imagination of man is so important, so wonderful, or should call forth such limitless gratitude.

How then shall we proceed to find out about God's plan and to come into a personal and cooperative relationship with Him?

Ready at hand and offering immediate help, is a very old and very wise book—the greatest book ever written—the Bible. This book contains the answers to most of our problems and is our safe and certain guide to the future.

The Storehouse of Wisdom

The Bible is the greatest book of history ever written. In addition to secular history, it contains the history of God's search for man and man's search for God. It is the greatest book of morals ever written. It teaches the only way by which men can live in peace with one another and may achieve self-government, freedom, and economic well-being. The Bible is the greatest book of law ever written. It distinguishes between right and wrong, which is the basis of law.

The Bible is the greatest book ever written on health, child-care and psychiatry. It contains more psychiatrical wisdom than all other books on that subject. One out of four of our families is said to be afflicted with mental-health problems. Generally speaking, I think, these are not the families that gather regularly around the family altar for a daily reading of

the Bible and prayer together. People who worship regularly in our churches, read the Bible daily, sing the great hymns with their neighbors, and listen to the voices of their ministers are seldom candidates for admission to mental institutions.

One who is reconciled to God eliminates most of the stress and strain from his life and thereby removes the greatest cause of heart trouble, arthritis, ulcers, and many other ills that afflict mankind. A large part of our illnesses comes from hormones thrown into the body by the adrenal and pituitary glands under the abnormal stimulation of anger, malice, envy, ill will, and desire for revenge. This enables the individual to react more vigorously. He may fight harder to defend himself, seek revenge with greater vigor, or throw more energy into his work, but in time he exhausts his vital powers, depletes his physical capital, and injures the organs of his body. Chemical imbalance due to harmful emotions is a common cause of human ills. These death-dealing emotions are subdued when one comes into a right relationship with God and his fellows. Long ago, men who listened to the voice of God and received truth by inspiration through the east windows of their souls were aware of these facts and wrote them down for us in the greatest health book ever written—the Bible.

He who reads the Bible and puts his trust in God develops a calmness of spirit and a confidence which has little place for anger, resentment, worry, and tension. Hence chemical imbalance is greatly lessened and his health vastly improved.

The healthful emotions such as good will, sympathy, kindness, joy, and love promote chemical balance and help maintain good health. "A merry heart doeth good like a medicine" (Prov. 17:22). "Acquaint now thyself with him, and be at peace: thereby good shall come unto thee" (Job 22:21).

The Bible is the greatest book on business ever written. The most important thing a young man hoping for success in business can do is to acquire a sound knowledge of this old

book. It contains all the precepts necessary for conquering poverty and achieving economic well-being.

The Ten Commandments are the basis of sound economics. If men live in accordance with them, they may be free, self-governing, and prosperous. If they do not, there is little hope of success along any of these lines. William Penn said truly, "If men will not be governed by God, then they must be governed by tyrants."

The only hope of conquering the problems and difficulties that beset us in this world is to live in accordance with God's law. The moral law governs the business activities of men as well as their other relationships to their fellows. God's law is one and the same on Sundays, on weekdays, in church, in the council halls of government, and in the busy marts of farm, factory, and office, where men address themselves to the creation of wealth not only to maintain life but to achieve more abundant living.

Creative Worship

Another essential in successful Christian living is association with like-minded people. We need the fellowship of men and women seeking the same objectives. We need the influence of the Church and cooperation with church people. We need the help of the minister and the inspiration that comes from corporate worship. A competent minister is just as necessary as a skillful physician.

Most of all, perhaps, we need the insight that comes with quiet, persistent, oft-renewed, silent meditation and prayer in which we seek to understand the will of God for us. Strong as He was spiritually, Jesus, nevertheless, found it necessary to spend long periods alone with God in prayer.

Worship is man's most creative act. Through it he learns how to cooperate with God. Worship is man functioning on his highest possible plane. It is man transcending himself.

Going to church is not worship. It is conducive thereto, but worship is an inward experience.

One day at Morecambe, on the west coast of England, we watched the sweep of the tide over a long, flat beach that extended some ten miles seaward. Boats that were grounded in sand and mud stirred as the water sloshed around them and finally floated. Just so, if the human soul grounded in jealousy, fear, doubt, selfishness, and hate will submit itself to the lifting power of God's tide of love, it will be floated out of the "miry clay" to sail forth over every reef, bar, and rock—over all human limitations—on the boundless ocean of God's mercy, beauty, power, holiness, and peace.

We may begin a time of worship on a low level, all but overcome with the unworthy moods common to everyday life. But if we persist in our attitude of worship and continue to center our minds upon the things of God, little by little the tawdry and the unworthy will fall away and will lose their hold upon us, as we feel the power and presence of God, His beauty, goodness, and grace flooding in around us. Presently, as the effortless ship is lifted in the canal lock to a higher level by the buoyancy of the water, even so our souls are raised up and we go forth above old temptations and hindrances.

To worship God is to adore Him, and when we adore, we seek to please the adored one. Hence, we strive to understand Him, to do His will and to become more like Him.

Worship raises all the faculties of men to supersensitivity. It is the growing edge of the spirit of God incarnate in man. It is the power that raises man above the level of devils. Education, knowledge, and science do not do that. The devil is a shrewd, smart, learned fellow, using science, knowledge, cunning, and great power. On earth is not his equal. Without worship, we could all become little devils. With worship, the devil himself could become a saint.

It is most important for us to pay close attention to worship

It can do more for us than anything else. If it does not mean much to us now, we would do well to bestir ourselves to understand, to seek, and to practice it.

Dr. Harry Emerson Fosdick tells the story of a country boy who went to Boston to study. A friend invited him to a concert and for the first time he heard great music. It meant nothing to him, but all around he saw others to whom it seemed to be the very breath of life. Vaguely he realized his lack and determined to find out why symphonic music is so highly appreciated. He sought the company of those who understood and loved music. He attended the concerts regularly and in time he entered into the fullest enjoyment of one of God's most precious gifts to men.

One must learn to worship as one learns to appreciate music or any of the arts. Fortunate is the man who realizes his privilege and sets himself to the task of learning the technique of worship.

The great Psalms are the efforts of men to record in words their experience in worship. Nothing but the words of Jesus and possibly some of the writings of the apostles exceed their lofty grandeur. To us ordinary mortals, they are very helpful as a means of developing the attitude and spirit of worship. Read again some of these old familiar lines.

"Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord; and in his law doth he meditate day and night" (Psalms 1:1,2).

"The heavens declare the glory of God; and the firmament showeth his handiwork. Day unto day uttereth speech, and night unto night showeth knowledge" (Psalms 19:1, 2).

"The Lord is my shepherd; I shall not want" (Psalms 23:1).

"O praise the Lord, all ye nations: praise him, all ye people" (Psalms 117:1).

"Bless the Lord, O my soul: and all that is within me, bless his holy name" (Psalms 103:1).

In true worship, all lesser considerations fall away and only God and His will are important. Worship is the greatest cleansing process known to man. It winnows out the unworthy and leaves the pure gold. "Our Father which art in Heaven . . . thy Kingdom come . . ." When men pray that and mean it, there is no longer any room for selfishness in their lives.

According to Aristotle, as phrased by Rufus Jones, "The true nature of a thing is the highest that it can become." St. John tells us that if we receive him, we acquire the ". . . power to become the sons of God . . ." (John 1:12). In other words, the true nature of man is to be in the image of God, even as we were created.

When, as a result of true worship, we understand a little of the will of God, we must do it; otherwise the light will fade and no new light will be given. Unless one is committed, reconciled, and happy in following the light he better not seek it, for ". . . to him that knoweth to do good, and doeth it not, to him it is sin" (James 4:17).

As in deep silence we consider the love, the power, the beauty, and the glory of God, we become acutely aware of our own imperfections. Our selfishness, weakness, meanness, ugliness, and unworthiness are painfully apparent. As this contrast becomes more acute, as we renew our deep, searching experiences again and again, we begin to lay down old habits, to discontinue evil thoughts, to improve our speech and our relationships with our neighbors. Our thinking and our conduct improve as we see how unlovely are the things which we have been saying and doing. Unworthy conversation, radio programs, motion pictures, literature, and entertainment lose their appeal and we seek that which is higher and nobler. This is the process by which character is transformed.

Deep worship is the time and the place where the transformation takes place. It is the growing edge where new and

more worthy cells of spiritual life are formed. It is the very act of putting off the old man Adam and acquiring the new man. It is man breaking out of the physical cocoon which has confined him and growing the wings that enable him to soar up into the spiritual world. It is man achieving sonship to God. It is man in the process of measuring up to the hope of his Creator, that he would, in some degree, show himself worthy and capable of being said to be in the image of God.

After we experience these visions of higher and more glorious living and go back into the humdrum of daily life, the vision grows dim and we have to renew it again and again. But as we do so, persistently over a long period of time, we shall find that we are slowly creating, by the grace of God, a finer character with fewer faults and greater spiritual understanding.

Renewing the Vision

When Moses came down from his great experience on Mt. Sinai and found the people dancing about the golden calf, the shock was so great that the vision crumbled and he found it necessary painfully to retrace his steps back up the mountain and to spend many days seeking a renewal of his insight. Thus strengthened, when he came down again, he did not lose it. As we persist in forming new thought patterns and new habits of action, eventually the good in us overcomes the evil, and permanent improvement is made. To make substantial progress most of us require a lifetime of effort.

Some years ago I spent an hour in the petrified forest of Arizona. It was hard to believe that those great stone trees were once living, corruptible matter. Scientists tell us that at one time they became submerged in water. As they slowly decayed, cell by cell, new cells of silica replaced the old cells as they rotted away. The form was the same but the material

completely new and different. Over a long period of time, cell by cell, this change was made until corruption finally put on incorruption, until that which was temporal became immortal. So it is with us. If we persist in worshiping God, little by little evil is discarded and replaced by righteousness until finally that which was corruptible has put on incorruption. Worship changes the individual by enabling him to overcome and discard his sinful nature.

Soon we come to see that our duty and our responsibility reach far beyond achieving some spiritual insights ourselves and extend to the task of helping our neighbors in the solution of their problems and in gaining spiritual understanding. Having found the pearl of great price, we will be diligent in seeking to direct the attention of others toward ". . . the Lamb of God, which taketh away the sin of the world" (John 1:29).

Technical Competence Essential

But the desire to help others is not enough. If we are to be useful to them in material as well as in spiritual matters, we must acquire knowledge and technical competence. St. Peter reminds us, ". . . add to your faith virtue; and to virtue knowledge . . ." (2 Peter 1:5), and St. Paul said: "And this I pray, that your love may abound yet more and more in knowledge . . ." (Phil. 1:9). If we are to solve problems and help our neighbors, a vast amount of wisdom, understanding, and technical competence is essential.

Worship had prepared the good Samaritan for the necessary action to help the man who had fallen among thieves. Today, it is more complicated. One must notify authorities, obtain witnesses, attend to fingerprints and other modern techniques. Increasing wisdom and understanding is essential if we are to help our fellows. Soon we see the importance of much study to acquire an understanding of many things in order that we

may be competent to deal with modern problems. Some think they are being good Samaritans when they try to help the unfortunate by legislation, increased taxes, extension of the social-service bureaucracy, and support of what is generally known as the "welfare state." They believe that better living conditions can be obtained for the masses by extending the power of government.

These matters will be discussed in subsequent chapters. Here we are concerned only with noting that in this respect, also, we need the leadership and guidance of God just as we do in the spiritual realm. Our job, therefore, is not only to grow in grace but in wisdom and stature as well, and thus to fulfill our whole duty in helping our fellow men in their quests for righteousness and toward the solution of mundane problems. The latter most certainly include the specters of unemployment, poverty, illness, hunger, disease, and war. All such plagues will cease to curse humanity as men become more and more able to achieve their birthright of sonship to God.

During the dark days of war in France, one member of my staff did not speak as lovingly as some other workers, but he had far greater knowledge and ingenuity in finding ways to help people solve their problems. Soon it became known that a refugee would find great sympathy with some of our workers but more practical help from this man. A long line in front of his office testified to the popularity of the man with knowledge.

Love can do much in a sickroom but knowledge can do even more. We want the minister, but when a bone is broken or an infection has seized us, we are eager for the doctor.

The place of God, therefore, in the life of man is in the direction of all his activities. We seek to know God for the assurance of salvation and immortal life. But, being creatures of the earth, very earthy, and finding ourselves beset with the problems of unemployment, poverty, drunkenness, crime, and war, not to mention inflation and government suppression of

the liberties of men, we need also His guidance and leadership if we are successfully to meet these challenges and at the same time to remain free, self-governing and prosperous.

Let us then invite God to take full charge of our lives, directing all our activities in the mundane realms of business, finance, and government as in the spiritual quest for sonship to Him.

The Perfect Landing

One stormy night my wife and I were flying across the jungle of the Amazon River Valley. We had gone around several storms and over others. Part of the time, one of our four motors was faltering. We sat there, holding hands during the tense hours, wondering if this was the end and, should we survive a crash landing, how we would combat the snakes and alligators in the jungle. It was a night of anxiety. Hardly an eye was closed in the cabin of that great airliner.

Toward morning the door leading to the quarters of the crew opened and the captain appeared. Every eye in that ship was fastened upon him and one could feel the wave of relief when we all noted that he was smiling.

"How is it, Captain?" I said, and he replied, "We are just leaving the storm area and all is clear ahead. We shall come down in Belem in about two hours. The weather is ideal and we expect a perfect landing." We all relaxed immediately. Tired, sleepless eyes closed. We had been reassured by the one who knew.

"A perfect landing in fine weather!" Ah! my friends, what more could a pilgrim through this life ask? To see a smile on the face of God and to have His assurance of a perfect landing after a stormy voyage through life is perhaps the greatest and most satisfying experience that life holds for us. That is the privilege, the birthright of every human being. No matter

what trials, tirbulations, and persecutions we may have suffered, here is adequate compensation for all.

This is the great equalizer that puts right all injustices, all inequalities of luck or fortune; dwarfs every disadvantage, and compensates for every wrong. A perfect landing in fine weather wipes away all tears and sorrows, and brings us all into the Kingdom as equally privileged children of our Father.

We would have given our all that night over the jungle for the assurance of safety. And then it came, without money and without price—the free gift of an all-powerful, all-wise, loving God. Just so, it will come at the end of life, after we have fought the good fight and kept the faith.

What then is the place of God in the life of man? Complete direction of all his activities.

Chapter 2

THE SOURCE OF MAN'S FREEDOM

The Charter of Our Liberty

This is an age of conferences. We hold them everywhere, on an almost infinite variety of subjects, on local, state, national, and international levels. Most of these conferences are rather barren of important results.

Long ago, in the dawn of human history, a very important conference was held on a much higher level—the top of Mount Sinai—the highest level of any consultation in the history of the world. This was one of the few great conferences at which God was present. When God met Moses on Mount Sinai 3,200 years ago, a set of resolutions was drawn up which changed the whole course of human history. Think what the world would be like if God were given first place at all our conferences.

The foundation for freedom was laid the day Moses came down from Mount Sinai bearing the charter of our liberty, known as the Ten Commandments. Its birth certificate is the first and great commandment: "Thou shalt have no other

gods before Me." What does this mean? That we must not allow anything—pride, ambition, love of money, power, or self-gratification of any kind—to come between us and the highest ethical vision of which we are capable. Unless men are loyal to something far greater and more important than themselves, there is nothing to restrain them from gratifying their passions and selfish desires by any available means. When men are not governed by loyalty to God there is no power that can prevent the strong from taking what they want wherever, whenever, and however they can. The result is exploitation and enslavement of the weak.

The moment the startling conception of God's supremacy and of man's loyalty to Him claims the allegiance of the human heart, the basis of human exploitation is destroyed. Until the coming of the first and great commandment, and long after, men enslaved their fellows and ruled over them. The strong exploited other men for their own pleasure; the less able served their masters without question. Then came this great concept of the supremacy of God over all men. Gradually it began to seep into the minds and hearts of men that they owed supreme loyalty to God. God, and not other men, was the keeper of the conscience of men.

As this thought grew in the minds of men, tyrants sat more and more uneasily on their thrones. If God was the keeper of one's conscience, a man could not harm his fellows even at the command of his rulers. In time men came to rebel against injuring their neighbors and refused to treat them cruelly, to punish and enslave them. God replaced the tyrant as the arbiter between men. As this insight gains sway in the hearts of men, it weakens the hold of the tyrant and there emerges the vision of man as a free being, entitled to function under his conscience as God's creature whom no other man has a right to command, oppress, persecute, exploit, or enslave.

To the extent that the first commandment is observed, men are free. When it is nullified, they are enslaved. Statism is the negation of this Commandment. It makes the state and not

God the supreme authority over man. The blasphemous totalitarian state exalts itself to usurp the place of God. That is what the devil sought to do, and for that reason he was cast out of heaven. Now he has donned the seductive attire of socialism, government-planned economy, the "welfare state," communism, or collectivism under some other euphonious name, and emerges in this new guise to dethrone God and enslave man.

If there are any who doubt that these different terms all mean essentially the same thing, let them listen to the words of Mr. John Strachey, minister of war in Great Britain's recent Socialist government: "It is impossible to establish communism as the immediate successor to capitalism . . . hence communists work for the establishment of socialism as a necessary transition stage on the road to communism." Socialism likewise being objectionable to many, other terms such as "government-managed economy" or "welfare state" are used. While these cannot properly be described as socialism, they are approaches to it. They might be said to be varying degrees of socialization, each step making the next step seem more urgent, and leading on in the direction of totalitarianism.

Collectivism of any sort and under any name subordinates the individual man to the will of the group. He loses his individuality. He can no longer follow his own conscience. He must do as the group directs. To rebel against the decision of the group is to make himself an outcast. To do that even under a benevolent but strongly centralized form of government is to cut himself off from a livelihood. Under any well-developed system of statism, such as Mussolini's Italy, Hitler's Germany, Stalin's Russia, Mao's China, or any one of the numerous satellites of the Kremlin, it is to suffer cruel punishment and in most cases death itself.

Even under mild socialism or a "welfare state" system, the individual must be obedient to the group. There is no escape.

Unless the group enforces its control, the collective plan will not work. In the case of voluntary cooperatives, if people do not wish to cooperate, the scheme fails. In state-directed systems the state assumes the right to coerce the individual and compel his obedience under penalty of severe punishment.

In the authoritarian state, which inevitably follows the introduction of "welfare state" measures requiring more and more socialization until the whole body politic has been collectivized, the state assumes the right to direct the individual and enforces this decision to the most extreme limit. Man is not free to keep the first commandment—to obey God—for he must obey the state. Collectivism, therefore, whether mild or uncompromising, violates the first and great commandment and destroys the liberty of man.

The materialistic Marxist philosophy of collectivisim which denies God would destroy the individual personality or the spiritual nature of man and make him an automaton.

The first and great commandment marked the emergence of the idea that no man was to be exploited by his fellows. It was a declaration upon which the independence and freedom of the individual were established. It limited the right of the group to control him. It marked the beginning of a long struggle to make good this freedom. The fight between statism and individualism is a part of the age-old struggle between God and the devil for the possession of the souls of men. Under an individualistic system, man's loyalty is to God. Under statism, if he wishes to live, his loyalty is to his bosses—to other men who assume the right to control, rule, and enslave him.

The Basis of a Free Society

Other resolutions adopted at the high-level conference on Mt. Sinai complete the charter of our freedom. We call this char-

ter the Decalogue, or the Ten Commandments. They are among the highest insights of man prior to the coming of Jesus, and set forth the principles upon which a free society of self-governing men is possible. Let us consider some of them.

"Thou shalt not bear false witness . . ." If men are not truthful, one cannot determine the facts of any situation. That makes intelligent action impossible. Placing one's hand on the Bible and taking an oath or an affirmation to tell the truth is of no avail if one does not believe the Bible or the God back of the Bible. Why do we have so much perjury? Because men do not reverence the commandment. But if men are not truthful there is no hope of justice in the courtroom or elsewhere.

If officials will not do as they promise before election, how can we choose men for public office who will carry out the will of the people? Truthfulness is essential in a free association of self-governing men. Breach this one commandment, and the foundations of society crumble. Men must learn to tell the truth or resign themselves to a master-and-slave relationship.

See how far we have departed from God's injunction to speak the truth! We condone candidates for office when they indulge in what is called "campaign oratory," and we excuse them from speaking honestly. We allow witnesses to invoke the Fifth Amendment, when self-incrimination is not at stake, merely to avoid telling the truth.

Another of the resolutions in the Decalogue says: "Thou shalt not covet . . ." Under the urging of the so-called "welfare state" ideology, a majority of our people seem to have agreed to rewrite this commandment to read: "Thou shalt not covet, except that portion of thy neighbor's wealth which exceeds thine own." If that modified form of the commandment be permanently accepted it will destroy civilization. It will result in the seizure and expenditure of all wealth above

the average level. That would stop the process of capital formation, leaving no adequate means of building up or even maintaining the vast capital equipment necessary to produce wealth in sufficient abundance to maintain our civilization. Moreover, it would destroy incentive to effort and would greatly limit the capacity of our most gifted men to improve the lot of their fellows through the accumulation and able management of large resources.

We shall not elaborate on this subject here, but in a later chapter we shall return to a discussion of the disaster which any attempt to equalize wealth by coercive state action would bring upon us.

"Thou shalt not steal" is another plank in the platform of freedom. Today, by general agreement, it seems that that plank has been rewritten to read: "Thou shalt not steal unless a majority favors it." But the commandment does not say that. Majorities have seldom been the custodians of our greatest truths. If Moses had taken a majority of the people with him to the top of Mt. Sinai, would they ever have come down with the Ten Commandments? If he had submitted this great document to a vote as the children of Israel danced about the golden calf, would a majority have voted for it? There probably never would have been a Decalogue had it depended upon the adherence of a majority. Majorities do not determine right and wrong. Right is right though everyone votes against it, and wrong is wrong though all but God favor it.

If Luther had waited for a majority, he never would have nailed his ninety-five theses to the door. Suppose Paul had waited for majority approval before writing his epistle, or Jesus had been unwilling to preach His great Sermon on the Mount until He had obtained majority approval of its ideals. The majority cried, "Crucify Him" but truth, nevertheless, hung with Jesus alone on the cross!

In the moral realm we must look to God and not to

majorities. The voices of the seers, the prophets, the Disciples, and the words of Jesus, the Son of God, as recorded in the Bible—these and not majority opinions are our guides to moral truth. No majority can repeal or amend the Ten Commandments. It can disregard them and suffer the penalty, but it cannot change them. They remain as they are—God's law. They mean what they say and the penalty for failure to observe them is destruction.

"Honor thy father and thy mother" means literally to learn all we can from our parents, from our grandparents, from our ancestors and from history, in order that we may avoid the mistakes of the past—profit by the accumulated wisdom of the race—and not have to waste precious time relearning what already has been learned. If each generation had to start over and could not, to some extent, begin where the previous generation left off, it is doubtful if enough wisdom, culture, and wealth ever could be accumulated to form a free, self-governing society. Honoring parents is a means of transferring wisdom from one generation to the next, and of making the gains of each generation cumulative. A child should begin his climb not from the ground but from the shoulders of his parents.

Obviously, this commandment is of immense importance to the human race. Honoring one's parents is not done so much for their benefit or because they deserve it as for the benefit of the rising generation. Why should one honor one's parents? ". . . that thy days may be long upon the land which the Lord thy God giveth thee." There it is! This commandment, like all the others, is for our own well-being and the benefit thereby accruing to the race.

Refraining from sexual promiscuity eliminates a powerful disorganizing influence in the lives of men and women and frees them from tension and anxiety. It enables them to integrate their personalities and focus their energies upon more

important affairs. If men and women do not keep that commandment there is no security in the home. Without it there will be little respect or safety for women and they will become slaves once more as they were before the rise of Christianity. Confidence and cooperation between men would decline and disappear. There would be constant quarreling and fighting among them. They would distrust and destroy each other. The loss of manpower would make impossible the accumulation of sufficient wealth and culture to build or maintain a civilized self-governing society. The Seventh Commandment, like all the other laws of God, is essential to the well-being of man.

One who rests at proper intervals and worships God is much more likely to develop the right mental attitude and sustained constructive energy than one who neglects to rest on the Sabbath Day and develop an attitude of reverence toward God. "Remember the Sabbath day, to keep it holy" is just as important as the other commandments, perhaps more so, for only through regular worship do we gain the insight and inspiration to abide by the whole moral law.

The more we study the Ten Commandments, the more clearly we perceive how basically important they are to the maintenance of freedom and of a desirable form of society. Breach the moral law, even in one important respect, and a free civilization such as we enjoy cannot endure. We have considered how the violation of the first and great commandment results in the enslavement of the weak. Bearing false witness makes justice, self-government, and satisfactory business relationships impossible. Theft, coveting, adultery, lacking in honor for our parents and failure to observe the Sabbath Day all destroy the basis for harmonious and satisfactory human relationships.

How thin is the dike that holds back savagery! How careful we ought to be to protect and strengthen it! Only

men's loyalty to a few spiritual ideals thundered at us by a long line of prophets beginning on Mt. Sinai stands between us and reversion to the cruelties and hardships of savagery.

If for no other reason than selfishness, we should read our Bibles, take our children to Sunday schools, support our churches, encourage our ministers, and, in every way open to us, strengthen the spiritual ideals which are the only hope of maintaining a free, prosperous society of self-governing men. Many civilizations have declined, and the only hope that we shall not meet the same fate is to buckle on the whole armor of God and press forward in the process of making our lives conform to the spiritual ideals set forth in the Scripture.

If men are not going to be self-reliant, thrifty, honest, fair, generous, truthful, just, kind, and considerate of one another, there is no hope of maintaining freedom and self-government. Unless we are restrained by loyalty to these spiritual ideals, there is nothing to prevent the strong from taking what they want at the expense of the weak. Only eternal commitment to eternal right can control the strong, protect the weak, and make possible the achievement of happiness and well-being on this earth.

Freedom, therefore, is based on the spiritual qualities which the saints and prophets of all ages have tried to teach us and which are succinctly summed up in the Ten Commandments. This great document sets forth the only basis upon which a free society can exist.

In the Kremlin, there is no loyalty to any of these qualities. For this reason, rapprochement with Soviet Russia is impossible. Marxist philosophy denies God, advocates dishonesty, and boasts of its untruthfulness and cunning, using all these means as instruments of policy to gain its ends. Negotiation and understanding are impossible if one or both parties are dishonest and untruthful. As the Scripture asks, ". . . what communion hath light with darkness?" (2 Cor: 6:14).

Americans and Australians, or British and Swedes, or

French and Italians can negotiate with one another because the basis of all of these societies is the moral law. The statesmen of Christian countries are not always conscious of it, but underlying all their negotiations is an assumption of respect for the Ten Commandments. There is a recognized obligation, not always honored, to be honest and truthful, and to assume that one's opponents have the same sense of loyalty to eternal principles. Remove that common ground from beneath the diplomacy of the Western World and it likewise will break down. There is no basis of understanding or trust between nations with a Christian background, on the one hand, and Communist nations acknowledging no God and only self-interest, on the other. If the moral law fails, civilization is doomed.

The Ten Commandments are the basis of satisfactory economic relationships as well as of morals. Coveting, stealing, untruthfulness, and murder are just as much violations of economic law as of moral law. Such practices in business or government can no more be made right by majority vote than the moral law itself can be changed by that method.

One who does not establish a reputation for honesty and truthfulness rarely succeeds in business. The commandment against bearing false witness lies at the very heart of a successful business career. It is a question of morals, to be sure, but equally a question of economics.

It is good economics as well as good morals to love one's neighbor as oneself. The business that is conducted on the basis of serving one's fellows is much more likely to prosper than one conducted on the basis of selfishness.

The Fallacy of the Middle Way

When it becomes clear to us that God's moral laws and His economic laws are one and the same, we stop thinking in

terms of right, left, and middle and begin to think in terms of right and wrong. We don't recognize any middle-of-the-road with reference to the morals of lying, stealing, coveting, murdering, committing adultery, and disrespect for our parents. And neither is there an acceptable middle-of-the-road application of these principles in our economic activities.

Let us look closely at this middle-of-the-road doctrine. Is there something sacred about keeping in the "middle of the road" as between the right and left? Why is less effort being made currently to determine what is right and what is wrong, and more emphasis placed on the desirability of steering a course between the two? Is there any virtue in being neither wrong nor right but in-between? Upon close examination it will be seen to reflect an attitude of mind that is less interested in finding the truth than in compromising, apparently with the hope of keeping everybody happy. Compromises are sometimes necessary but not as between right and wrong, not as between truth and error. If compromises are accepted under these conditions, they themselves are also errors.

If one group says twelve times twelve is 144 and another group contends that it is 160, why not try to discover the facts rather than assume the correctness of a middle course that twelve times twelve is 152? The middle-ground philosophy is an absurdity—a course plausible only to the unthinking who are not willing to bestir themselves in an effort to find the facts, but are eager to appear tolerant and compromising in the hope of retaining popularity in all quarters.

What middle course can one adopt with reference to the Ten Commandments? There are those who believe in their absolute validity—that they are the laws of God. There are others who maintain that they are a matter of custom and usage. We need to determine who is right and not to try to find a middle course as between living by these standards and disregarding them.

The late Dr. Kinsey proved that many people are com-

mitting adultery but that did not alter or repeal the commandment nor enable those who broke it to avoid paying the penalty. Kinsey's facts may be right but the action he reported is morally wrong. There is no middle way. One might commit adultery occasionally, but each time he does wrong, complete, not half wrong.

One might believe in the law of gravity, another might deny it. It is extremely important to ascertain the facts before one adopts a so-called middle course by stepping off a cliff in the expectation that his fall will stop when he is half-way to the bottom.

I once heard a middle-of-the-road preacher declare: "If you don't repent in a measure and change your ways considerably, you will be damned to a certain extent." What we need is a resolute determination in all quarters to find the right course of action and then to adopt it, and not to go wobbling down the middle of the road, comforting ourselves that we are at least half right.

If truth lies on one side of the road or the other we are certainly wrong if we stay in the middle. Let's try very hard to find out on which side the truth lies and then take our stand with other brave men who have been equally diligent in ascertaining the facts.

It is often difficult to determine facts and even more difficult to discern the truth as it applies to a particular situation. If one does not know the facts and must act before they can be ascertained, he might be justified in taking a middle course, but let him not plead that it is a virtue but only a makeshift until by diligence and great effort he may happily arrive at a resolution of the matter and be able to chart the right course. At best, the "middle-of-the-road" is a temporary and dangerous expedient.

Once we gain the concept that both moral law and economic law come from the same God—are essentially the same and apply to all human beings—we shall lose much of our

confusion and uncertainty about economic practices. We can't change economic law by conferring power upon government any more than we can amend the moral law by conferring power upon the Church.

The Mightiest Revolution

Although the precepts necessary for freedom and the good life came into the world thousands of years ago and are written in the Ten Commandments, the law and the prophets, and other ancient documents, little progress was made for many centuries. Law does not change human hearts. It does not make people good, even though they are punished for violating it.

Progress toward freedom was slow after the Decalogue was formulated, and centuries passed with but little improvement in human conduct. The law-and-penalty method of the Old Testament could not redeem mankind.

Not until Jesus came, lifted up the ancient law, glorified it, and wrote it into the hearts of men did it begin really to change their lives. The love of Jesus Christ wrote the "want to" into men's hearts, and reborn men began to transform society. Men and women so changed are the hope of the world. The possibility of a free, self-governing society entered this world with the coming of Christianity.

Prior to that time there were, perhaps, 10,000 free Greeks but the rest were all slaves. There were possibly more free Romans but most of the population in the latter centuries of that great empire were slaves. The hope of freedom for all men awaited the voluntary acceptance of the Christian religion, and if Christianity should decline, this hope will most certainly disappear.

In a parallel sense, the free-market system of economics contains all the ingredients necessary for prosperity and abun-

dant production and distribution of wealth, but it lacks love, generosity, kindness, and Christian application. The letter of the law killeth, but the spirit maketh alive. When the love which Jesus taught is applied to free-market economics, it produces what I call Christian economics—the best hope of conquering poverty and making material and spiritual well-being available to all.

We have seen how Jesus fulfilled the law by removing its coercive feature and substituting the voluntary desire joyfully to accept and carry out God's will. Let us return now to a brief consideration of this, the mightiest revolution of all the ages.

Each person possesses the infinitely precious quality of being able to express something of God in a different way from every other human being. The concept of liberty finally prevailed in the minds of western men because of the great emphasis Jesus gave to this fact. After this thought takes possession of one's mind, one would not think of enslaving, persecuting or being unjust to a creature who in a unique way reflects something of the personality of God.

Straight out of the teachings of Jesus, therefore, stem the vision and the possibility of free men in free association for self-government; of free institutions of all kinds, including the freedom to worship God according to one's own conscience.

The very existence of freedom depends upon this religious basis. Unless restrained by the promptings of God, as men perceive them in their moments of highest insight, the strong will enslave the weak. Men will persecute and exploit their fellows for their own benefit and aggrandizement unless restrained by the internal compunctions which come to them only through religion at its best.

The Spirit of the Lord and Liberty

Materialistic Marxist philosophy denies religious insight, denies God, and destroys the only foundation upon which freedom can be built.

". . . where the Spirit of the Lord is, there is liberty" (2 Cor. 3:17). What is the Spirit of the Lord, and how does it produce liberty? The Spirit of the Lord is the sum-total of the qualities which we attribute to God. God is goodness, truth, righteousness, and love. He is honest, just, kind, and patient. In short, He is the best we know in all relationships of life.

These qualities, achieved even partially and to a very imperfect degree, produce freedom. When people follow these ideals they will not wish to do wrong, to injure their fellows, to take advantage of weakness, or to advance their own interests at the expense of others. Where the Spirit of the Lord is, there is good will toward others, and there will be no attempt to injure, exploit, or enslave them. Hence liberty exists.

Freedom is limited by selfish men who seek to control the lives of others and to use them to further their own objectives. Unless motivated by the spirit of wickedness, men do not injure their fellows or interfere with their well-being and highest development. Where the Spirit of the Lord is not, there is injustice and slavery.

Freedom is possible only when men accept the authority of God. When the state supplants God as the keeper of the conscience of men, freedom cannot endure.

If the world could have been saved by the law, the revolution of love which Jesus inaugurated would not have been necessary.

If this revolution does not change the world, it is the fault of those of us who profess to be its advocates. Perhaps the main reason why it falters is that too many of Jesus' pro-

fessed followers are not advocating the change through persuasion as He taught, but would resort to the coercive power of the state.

Jesus saw clearly that force will not change character or improve society. Only changed hearts will do that. He staked His whole case on the voluntary action of men whose allegiance He hoped to win through the power of love. Other methods cannot be claimed as Christian.

The source of our freedom is God. Only as men and women are willing to live in accordance with His will as revealed to us in the Ten Commandments, the Golden Rule, the Sermon on the Mount and other words of Jesus, the writings of the apostles, and the leading of the Holy Spirit in the hearts of men, only then can we hope to achieve material well-being, abolish war, and recover our freedom and self-government.

To sum up: God, not man nor marjorities, determines right and wrong. God made the world and the rules that govern it and govern us. Our great concern should be to live in accordance with His will.

PART TWO

GOLD

Chapter 3

THE MIRACLE OF AMERICA

Spiritual Ideals of the Founders

A contemplation of the achievements of the American people is cause for astonishment. We are about 7 per cent of the world's people, yet we produce nearly half of its industrial wealth. Our country has brought forth an outpouring of religious, cultural, and charitable activities unparalleled in history. Churches, hospitals, schools, colleges, orchestras, operas and museums not only cover our own land but have overflowed to many parts of the world. Within the last fifteen years American citizens have exported more than $80 billion of wealth in their effort to help the unfortunate of other lands. What is the reason for this astonishing performance?

Why has America developed a standard of living never before approached by any other people? What is the reason for the miracle of America? No doubt we have all pondered that question, but let us examine it again.

Some say it is because of our superior natural resources,

but I do not think that is correct. Asia, Africa, Europe, and South America are as abundantly blessed in that respect as North America. Natural resources have been rather well distributed around the world, and many countries enjoy great superiority over us in many of the basic materials of an industrial civilization.

In my opinion the explanation of the miracle of America lies in the spiritual rather than in the material realm. A few years ago I had occasion to visit the capitals of Latin America several times, and to study conditions there at close range. In the course of my work I conferred with the presidents, the members of the cabinets, the members of congresses, and many leading citizens. South America has great natural resources, but nothing like the miracle of North America has taken place there.

Not only has there been little material development in the form of an industrial civilization, but social consciousness, with its vast outreach of help to others, has also been greatly retarded. While the desire to be helpful no doubt exists, the material means of implementing it are lacking.

In pondering the vast difference in material and spiritual development between North America and Latin America, I recalled that the lands of our neighbors to the south were settled by gold seekers and adventurers before the Reformation. To be sure there were devoted priests among them but serving God was not a dominant motive among the conquistadors and their followers. On the other hand, North America was founded after the Reformation, by men who sought freedom to serve God, men who read their Bibles every day and who went to Church two and three times a week. These men and women listened to the voices of their ministers in prayer, in sermons and in the reading of the Scripture, and they joined with their fellows in singing the great hymns.

In the instructions issued to the bold men who explored North America, it was plainly stated that the purpose of

these expeditions was to extend the knowledge of the Gospel of Christ. Beginning with the Mayflower Compact, the early documents drawn up to guide the affairs of men in the settlement of the first small colonies on these shores, all acknowledge the leadership of God. He was given first place, and the people affirmed and reaffirmed their intention to serve Him and to promote the Christian religion. Our country was founded by devout Christians who put God at the very center of their lives. He was placed at the head of their homes, of their businesses, of government, and of the nation they eventually founded.

It was Saturday afternoon when the Mayflower cast anchor in Plymouth Harbor. How eager the Pilgrims must have been to set their feet on solid ground! After long exile in Holland, they had tossed about on the stormy Atlantic for thirteen weeks in a little ship of only 180 tons burden. Homesick, seasick, weary, and land hungry, how they must have longed to go ashore immediately and start founding their new homes! Nevertheless, they spent Saturday afternoon preparing for the Sabbath and all day Sunday worshiping God. Not until Monday morning—forty-two hours after they dropped anchor—did they set foot on land. They remembered the Sabbath Day, to keep it holy! They really believed in seeking first the Kingdom of God and His righteousness! And behold! All these things were added unto them!

For the first time in history, I believe, a new country was established for the purpose of serving God. On this firm foundation our material and spiritual development took place.

The worship of God and the willingness to observe His laws and follow His leadership is the greater part of the explanation of the miracle of America.

Knowledge Essential to Freedom

Freedom comes from God. It is the natural right of every man. Our ancestors were aware of this great truth. Worshiping God as they did, they realized the importance of freedom. They had just come from lands where there had been little religious or secular freedom. They had escaped from bondage both to state and to church. For the first time in modern history, perhaps, a God-fearing people were freed from the shackles that previously had bound them. For the first time men were free to worship God as they pleased, to attempt whatever they chose, to think, to dare, to dream and to do. Unleashing the spirit of man is a part of the explanation of the miracle of America.

But we cannot stop there. We must have informed minds as well as dedicated hearts. We must find a way to promote widespread education in the fundamentals of economics. We must understand the importance of a sound fiscal system. We must know the essentials of how wealth is produced and distributed. If we do not have this knowledge we shall fall prey to the demagogues who promise "the earth" without regard to the impossibility of fulfilling their promise.

Let us turn our attention to some of the things we need to know if we are to preserve freedom, self-government, and the hope of conquering poverty and war. One of the essentials, I would say, is basic fiscal knowledge.

Importance of Trusted Money

Let us consider for a few minutes the thesis that no civilization in history has ever been built without trusted money at its foundation, and no civilization has long survived the disappearance of trusted money. By trusted money, I mean a

monetary unit of intrinsic value that will not lose its purchasing power.

Let us examine the record. Thousands of years ago a great civilization flowered for many centuries on the banks of the Nile. When the popularity-seeking Pharaohs became extravagant and spent more than their incomes, debts accumulated and prices rose. To increase the quantity of money and make possible more spending, they debased the coinage, that is, decreased its intrinsic value, while its nominal value remained the same. That is what our government did in 1934 when it decreed that an ounce of gold was worth $35 instead of $20.67. The gold and silver coins of ancient Egypt were called in, melted, and recoined with a large proportion of some baser metal. The government then tried to maintain that the part-lead coins were worth as much as the all-gold coins. That was a lie, and everybody knew it.

Neither the moral law nor economic law can be violated with impunity. Not one jot or tittle of these laws shall pass away. All shall be fulfilled. Gresham's Law tells us that bad money always drives out good money. That is what happened in Egypt. The good money was driven out, and Egyptian civilization declined, never to recover its grandeur.

The same thing happened in Crete, where a brilliant civilization flourished for many centuries until the rulers became extravagant, accumulated debts, and sought to meet them by debasing the currency. Inflation appeared, people lost confidence in the monetary unit, stopped working and saving diligently, and Cretan civilization disappeared.

The gold and silver that fled from Egypt, and from Crete, found a resting place in Greece, where it contributed much to the great culture that flourished there for many centuries. A large part of the basis of modern civilization developed in ancient Greece, as architecture, literature, philosophy, and science rounded out a period of great enlightenment.

As long as people were frugal and public finance remained

sound, these developments continued. But ambitious rulers began to spend more than they received. By incurring debt in an effort to please the people, they brought about rising prices and destroyed public confidence in the monetary unit.

The ancient counterparts of Keynes persuaded the government to embark upon deficit financing. As prices rose, the old, old New Deal resorted to debasement of the currency and the people lost confidence in their government and its fiscal system. They lost their thrift and self-reliance, stopped saving, and began to look to government for assistance. Once more in accordance with Gresham's Law, the gold and silver fled in the presence of debased money and Grecian civilization declined, never to recover its ascendancy.

Rome was the next home of thrift, economy, hard work, and sound money. Upon this solid foundation was constructed the great empire that ruled the known world. Again culture flourished. But the Caesars in their turn sought popularity by pensioning their friends and political favorites. Public money was syphoned off to help this or that group. Free bread, circuses, and extravagant spending sprees created mounting debts and rising prices.

The tyrants of ancient Rome, however, were not dismayed. They said: "We know what happened in the other countries, and we're not going to let it happen here. We're going to fix prices so they can't rise."

But fixing prices to avoid further rises always results in greater scarcity. If the price of wheat, for instance, is fixed too low to be profitable to farmers, they will grow less wheat and more rye, potatoes, or corn. If the prices of these commodities are fixed, less of them will be produced and more soy beans, alfalfa, and other products will come onto the market. These in turn must be controlled. There is no place to stop the process short of the fixing of all prices. The Caesars found this to be so; also they found that prices were anchored to

wages, and that to make price fixing effective they must also fix wages. They made the most savage attempt to control wages and prices ever made outside of modern Russia. They even riveted iron collars around the necks of men, stating their jobs and their rates of pay.

But government-managed economy always results in lower production, and eventually the people were starving. Short of slavery, people cannot be made to work at a loss. Tell the merchants of any city that they must sell goods for less than it costs them and they will close their doors. Tell the farmers that they must bring produce to town and sell it for less than cost and they will not do it; they will raise enough for themselves and their families and what they can black market, but the people in the cities will soon be starving.

I am not talking mere theory but, like the apostles of old, bear record of what I have seen and heard. I have seen this happen in country after country—people starving as production declined under government-fixed prices. I have carried my investigations into some two score countries throughout the world, and I know from experience as well as history what happens when governments seek to control the economic activities of the people. As government regulation becomes more severe, production declines and governments resort to the coercion and slavery that exist in Russia today. Enough can be produced under that system to avoid general starvation (though tens of millions have starved in Russia) but no slave system has ever produced sufficient wealth to make possible a modern civilization.

When starvation appeared in the cities of ancient Rome, as a result of government intervention in economic affairs, many left the cities and sought subsistence homesteads in the country in the hope of raising enough food to stay alive. Later, when the barbarians came down from the North, they found the walls of the cities relatively undefended. Government-man-

aged economy and fiat money destroyed Rome, just as they have destroyed, and will continue to destroy, every country that resorts to such practices.

Long before the fall of Rome, the Caesars had tried tinkering with the currency, just as the rulers of many ancient and modern countries have done in an effort to create enough money to enable them to continue their extravagance. The Caesars not only accumulated larger and larger indebtedness, but they called in the coins, clipped off the edges and used the clippings to mold new coins. Then they decreed that a coin half clipped away was worth as much as a whole coin. Of course it was a lie. Fifty grains of gold are not worth as much as 100 grains. Neither is an inconvertible piece of paper, such as our currency today, worth as much as a piece of paper convertible into a given quantity of gold. Such deception and falsehood cannot be practiced with impunity. It is a violation of the moral law and brings its certain and terrible retribution.

Gresham's Law came into operation in ancient Rome, just as it does everywhere when money is debased, and the gold fled from the great city on the Tiber. Whole coins disappeared, since, by fiat of government, they were declared to be worth no more than half coins. Consequently, people would spend their half coins and hoard the whole ones. As the sound money of intrinsic value disappeared, Roman civilization crumbled and the mighty empire went the way of all governments and civilizations that have deserted honest money.

Inflation Here and Elsewhere

So it goes through ancient and modern history. I remember when German women went to the factory gates and drew their husband's pay twice a day to rush away and spend it while it still had a little purchasing power. I remember when the French franc was worth twenty cents. Now you can buy four

for one cent. The lira and many other currencies have depreciated even more.

When we arrived in Greece in the summer of 1953, my wife and I received over one million drachmas for $35 in travelers' checks. "Now I know what it feels like to be a millionaire," I said, as a sense of well-being came over me while stacks of money were being counted out. Putting the pile into a bag, we felt rich, until we had to pay 70,000 drachmas for our dinner. Then we realized that all we had was a burdensome pile of nearly worthless paper.

The same thing is happening to the dollar. Within my memory this good old American dollar, that I learned to value and trust in my youth, has lost about 80 per cent of its purchasing power.

In 1897, on my sixth birthday, I bought a pocketknife for fifteen cents. Today you couldn't buy a knife like it for a dollar. I earned that fifteen cents by splitting forty-five rails, believe it or not. With tiny wedges and a little maul my father had made for me, I tapped out those rails and collected a third of a cent apiece for them. Proud and happy, I went to town to buy that knife. I know, therefore, out of my personal experience, that the dollar has lost 80 per cent of its purchasing power since I began to earn money.

Half of that loss has taken place during the last fifteen years. That shows how inflation accelerates once it gets started. Our situation is very dangerous. Only the marvelous efficiency of our industries in turning out an increasing volume of goods has prevented what is called runaway inflation, but it is not likely that this precarious balance can long be maintained.

Under the gold standard, the government dare not issue more paper money than it can redeem in gold. That compels it to be economical. But, in the case of inconvertible fiat money or printing-press money—such as we have today—there is nothing to stop a government from issuing as much currency as it wishes.

If the administration wants to spend more money, it sends its bonds to the banks in return for credits on their ledgers. The government starts drawing against these balances, and if the banks need more currency to meet their requirements, they take U.S. bonds to the Federal Reserve Bank and borrow up to 100 per cent in currency against them. It is much the same as if the government had printed the money in the first place. Most of our currency is simply fiat money.

We talk about stopping inflation, fighting inflation, controlling inflation, and the mystery of inflation. What is the mystery of inflation? It is only the mystery of the printing press —that is all, of printing paper and passing a law declaring it to be money. It is very easy to control inflation—just stop the printing presses. Return to the gold standard and there will be no disastrous inflation, for the government cannot issue more paper than it can redeem. That is the only way to curb government spending. Every government that has had the privilege of printing all the money it wanted has destroyed its fiscal system.

I know of no currency in history that has lasted more than forty-two years after its intrinsic base has been abandoned. Twenty-four years ago this country left the gold standard, and unless we return to it, the life expectancy of our dollar is not more than twenty years. That shows how serious this matter really is. We are facing the destruction of our fiscal system with incalculable tragedy, suffering, and loss.

I am reminded of the lad who came downstairs one Sunday morning while other members of the family were still sleeping. The clock was striking eight, and, being "out of fix," as clocks sometimes are, it went on striking—nine, ten, eleven, twelve, thirteen, fourteen, fifteen. The boy looked at it in wonder, his eyes getting bigger and bigger all the time. Finally he turned and ran upstairs calling : "Everybody get up. It's later than it's ever been!"

In an economic sense, it is much later than it has ever been.

We have gone farther toward the destruction of our dollar than we realize.

Dishonest Money and Moral Decline

History shows that unsound money has weakened or destroyed one civilization after another. To see why, and how, let us examine the relationship between dishonest money and moral standards.

Here is a young couple starting out in life under a sound monetary system. They look forward forty or fifty years, saying to themselves, if we are frugal, industrious, thrifty, patient and save our money, eventually we can retire and have a happy old age. We can educate our children, support the church and all worthy community projects. We can be respected and worthy citizens of our community and leave the world better than we found it.

When people see before them a worthy and attainable goal, they work and save to reach it. Their savings flow into factories, new enterprises, more buildings, and better equipment. Industrial expansion is the result. This creates more wealth and more savings, and out of character and prosperity, civilization flowers.

Now consider a young couple who have no faith in the long-term future because the money is not sound, has no intrinsic value and, they rightly expect, will continue to depreciate. They wonder what the dollar will be worth forty years from now. Maybe ten cents, a nickel, or only a penny.

There is little incentive to undergo the self-denial saving requires if one feels certain the money is going to lose its purchasing power. Our young people begin to think of living for the thrills of the moment, of spending their money as fast as they earn it. Family solidarity breaks down. Drunkenness, divorce and juvenile deliquency increase. Fiscal policy is an

important factor in these phenomena. If they cannot win by integrity, honesty, and perseverance, many are tempted to try the short cuts, scheming, gambling, black marketing, or even crime.

Have you seen these things happening in our country in recent years? What about graft and corruption going clear up to the White House—people in high places stealing even the tax money they take from us—putting it into their own pockets instead of into the Treasury. Why this degradation? Because hope in the long-term future is disappearing. Throughout history periods of high moral attainment have been periods of sound money while periods of moral disintegration have followed the debasement of the monetary unit. Fiat money, printing-press money, or money without intrinsic value is dishonest money, and, the moral law having been violated, moral degradation is inevitable. No one can escape the penalty of violating the moral law. When money is depreciating, sooner or later churches and worthy charities find it increasingly difficult to obtain support.

There is a close connection between the moral law and trusted money. The two are inseparable. If one is ignored, the other will not long survive. Civilization can neither be created nor maintained without trusted money—that is, honest, moral money at the foundation.

Surely it is evident that we need heads as well as hearts. Unless competent heads take control of the situation pretty soon, it is going to get out of hand, and our fiscal system will be destroyed. If this happens, the great days of our country already will be in the past.

If we fail to honor God and if we forget the importance of honest money, our decline will be rapid. Our ancestors may not have been fiscal experts but they did not make this mistake. God seems to grant wisdom and good sense to those who worship Him. We read in Psalms 111:10, ". . . a good understanding have all they that do his commandments . . ."

The founding fathers knew the importance of honest money, and after several trials and many errors, worked out first a silver and then a gold-standard system of convertible currency which, notwithstanding a few temporary lapses, endured for 140 years.

After the revival of real religion that changes men, our greatest needs today are the reestablishment of honest money of intrinsic value; to live within our means; to stop accumulating debt; to begin reducing our present debt and to return to the ancient virtues of hard work, thrift and upright living. Only by so doing can we preserve our freedom, maintain and improve our living standards, and continue as an example and encouragement to the rest of the world.

The most important reason for the miracle of America is God-worshipping ancestors who strove, however imperfectly, to observe the moral law. The second is the honest gold-standard currency system they established and maintained. In Chapter 7 we shall consider the third great reason—a government strictly limited in function and power.

Other important factors have been the right to earn as much as one could, to save as much as one chose, to be protected in the right to enjoy the fruits of one's efforts, freedom to think, plan, dare and a reasonable expectation of a satisfactory reward for exercising the self-denial necessary to save.

Chapter 4

ONE HUNDRED GIANTS

Work of the Giants

Men have risen above savagery by saving; by using a part of their production to create more and better tools in order to increase future production. To conquer poverty we must have more and better industrial equipment. That means more saving. To induce more saving we must give the saver the hope of adequate reward and the assurance that he will not be a victim of spoliation.

It is hard to save; we all need all we have and more. Human wants are insatiable, and most men will not deny themselves the pleasure of present consumption in order to save for the future, unless they are assured of the right to enjoy the fruits of their efforts and have a reasonable hope of being rewarded for their self-denial.

The large industries that have grown up in our country are a part of the explanation of the miracle of America, discussed

in Chapter 3. They emphasize, also, the very great importance of capital accumulation.

We are fortunate in having one hundred giants in our country who do a great part of the work necessary for our health, happiness and well-being. They are the great processors of the foods and fibres raised on our farms and ranches. From the mines they bring coal to our homes, and ores of all kinds to our factories. From deep under the ground they pump oil from our petroleum fields for refining and distribution through a network of service stations spread across the land. From the forests they make lumber, paper, plastics and synthetic textiles. They perform miracles with chemicals that enrich our soil, safeguard our health, provide for our defense, furnish ingredients and necessary materials for a wide variety of industries, and maintain an inexhaustible frontier forever exploitable by men who have a vision of better and more significant living.

These giants extract riches from the sea, earth and air. They roam the far corners of the world, finding materials and devising ways and means to make life better for us all. They lift drudgery from the backs of men. They perform by power machinery what human muscle formerly was compelled to do. They give every man, woman and child in our country the strength of many horses working in his behalf. They have greatly shortened the hours that we must work, provided us with luxuries that kings did not dream of a century ago, and have made possible a scale of living far higher than mankind heretofore dared even hope for.

These helpful giants bring vast quantities of rubber, wood, pulp, petroleum, copper, tin, iron ore, tropical fruits and many strategic and useful materials from distant lands, inaccessible jungles, desert, wilderness and mountain, all for our benefit. Payment for these commodities supports the economies of foreign countries upon which we depend for these goods.

The electric power, gas and telephone services purchased

by these prodigious workers are important supports to our public utilities. Their freight and passenger traffic help to keep our railroads operating, our motor trucks on the roads, our planes in the air, and our ships sailing the seven seas. Their outlay on national and local advertising is a mainstay of the revenues of newspapers, magazines, radio and television. Their tax remittances swell the coffers of federal, state and local treasuries. Their vast capital expenditure programs have made countless jobs in the fields of engineering, construction, building materials, machinery and equipment.

Their demand for raw materials, supplies, parts, equipment and merchandise in various states of manufacture, furnishes a large part of the orders of more than 33,000 business concerns with assets of more than $1 million each, as well as of scores of thousands of smaller enterprises.

Identity of the Giants

Who are these giants that do so much for us? They are our country's one hundred largest companies in all lines of business other than banking and finance. They do perhaps one-quarter of the nation's volume of business. They are the world's largest buyers, nearly doubling the United States Defense Department's current budget, including payrolls for military personnel.

The annual sales of these one hundred companies range from a low of $494 million for the smallest to more than $12.5 billion for the largest.

The combined sales and income from investments of the one hundred companies aggregated $130 billion for the year 1955.

In carrying on their vast operations these companies employed 6,613,000 men and women. The total assets of these giants is $109 billion or $16,000 per employee.

The average wage of their employees was about $5,000 each. The total for all employees was nearly $35 billion or just under 27 per cent of the total sales of these companies.

Generally speaking, these giants pay higher wages, furnish better working conditions, provide more generous retirement pensions, self-improvement opportunities and vacations, while at the same time supplying cheaper and better merchandise than the less well-financed business enterprises. Moreover, in 1955 they paid about $12,684,000,000 in federal, state, local and foreign taxes, excluding various sales and excise taxes collected from customers. Total taxes paid amounted to just under 10 per cent of total sales.

These companies have a total of 8,400,000 registered shareholders. Many of these no doubt own stock in more than one company, but the list also includes nominees or trustees who are acting for the beneficial interests of numerous individuals. Large blocks of shares are also owned by insurance companies, investment trusts, pension trusts, and non-profit institutions—educational, medical, religious, philanthropic and research.

There are other giants working for us, such as banks and insurance companies, and many large business enterprises of all kinds that are only just a little smaller than the one hundred under consideration.

When the United States Steel Company was organized in 1901, it was the only company with assets exceeding $1 billion in this or any other country. Standard Oil of New Jersey and General Motors moved above that level in the 1920's. Since that time there has been such an amazing growth of American industry, with large-scale organizations for low-cost mass production becoming so commonplace, that there are now some two score companies reporting assets of more than $1 billion.

Who Owns These Giants?

Ownership of these companies is widely distributed among individuals and institutions throughout the United States and in some foreign countries. About half of them actually have more shareholders than employees. The American Telephone and Telegraph Company and its subsidiaries has 1,408,851 shareholders and 745,629 employees.

The employees of many of these great companies own substantial blocks of shares themselves while thousands of additional shares are held in trust for them under various employee profit-sharing and retirement agreements.

The volume of business done by these giants in 1955 was over seven times their volume in 1939, reflecting not only their success in winning more patronage and in developing new products through their research laboratories, but also the effects of price inflation and of some consolidations. Last year thirty-three of these companies reported sales exceeding $1 billion each, in contrast with 1939 when only one company attained that figure.

Of the total sales of $130 billion, 52.1 per cent, or $67,923,000,000, was paid out for goods and services purchased from others. This amounted to about $260 million for every business day throughout the year and furnished employment for many millions of other workers employed by many thousands of other business firms required to serve the one hundred giants. Big business is the best customer of small business.

Provision for depreciation and depletion amounted to just less than four per cent of sales, or a total of $5,144,000,000, while interest paid amounted to one-half of one per cent of sales, or $648,000,000.

Preferred and common stockholders received in dividends

$4,647,000,000, or 3.6 per cent of sales, while there was retained in the business for reserves and expansion purposes $4,630,000,000, or 3.5 per cent of sales.

It should be pointed out that the figures for depreciation and depletion noted above are sadly insufficient as these charge-offs must be made on the basis of the cost of machinery and equipment, whereas after it wears out five, ten or twenty years hence it may cost from two to ten times as much to replace it. Unless larger reserves for depreciation and depletion are allowed we shall find a few years hence that we have been decapitalizing our industries.

Some idea of what is taking place in that respect may be gained when we note that last year alone the indebtedness of these companies rose $3,600,000,000. Under our present laws not enough earnings are permitted to be plowed back into our industries to provide replacement of equipment. Consequently indebtedness is expanding.

As we have noted, the investors in the shares of these one hundred largest companies received $4,647,000,000 in 1955 as a reward for having saved and invested the scores of billions needed to carry on these enormous operations. The return to the investor was perhaps 6 or 7 per cent—not a large sum, considering the risk involved. The man who saved $16,000 necessary to supply one job in these companies received perhaps a little more than $1,000 as a reward for his patience and sacrifice.

The man or woman who got the job which these savings made possible received about $5,000 for his or her labor.

Of course the investor may also profit from the percentage of earnings retained for expansion of the business. If all goes well, he may benefit from a very considerable appreciation of his capital. He is also liable to suffer loss, and that frequently takes place in even the best of American industries.

Who can measure the amount of money lost in the auto-

mobile companies that did not succeed; in the mines that did not produce ore in paying quantities; in the dry holes drilled by oil companies and in the bankrupt railroads and other business undertakings? Taking business as a whole, it would be fair to say, I think, that the possibility of loss of risk capital balances the possibility of appreciation and, that on the average, the return to the investor may be somewhat accurately gauged by the amount received in dividends.

As we have noted above, taking the one hundred companies as a whole, the investor who saved $16,000, making possible one job in these industries, received about $1,000, for his trouble. Let us assume that we did not have individuals who wished to save and invest money. How would the 6,613,000 men and women employed by these companies gain employment? The time might come, I suppose, when, if we discourage saving, the worker himself might have to save enough to create his own job.

Some day we may see advertisements in our papers stating:

> "Men wanted. Good jobs, steady work, wages about $6,000 a year, provided applicant supplies $16,000 of capital. Otherwise, the wage will be about $5,000 per year."

How many men would choose patiently to save and invest $16,000 in order to receive in wages $6,000 a year in preference to saving nothing and receiving a wage of $5,000 per year?

When we look at the matter closely we see the very great importance of the saver to all of us. Without him industry would be impossible, and without our one hundred giants and the other industries, countless thousands of them operating on approximately the same basis, we would have to go back to the handicraft age of existence, meaning that about three-quarters of us would have to die and the surviving one-quarter would have to toil endless hours from sun to sun as our

fathers did before mass production and assembly lines were made possible by capital accumulation.

More Giants Needed and How to Get Them

Saving is one of the most necessary functions in connection with the development of civilization, and a rising standard of living. There is no limit to the scale of living we can achieve, provided we are willing to encourage and reward the saver. With double our present capital equipment we could more than double our production, making possible a much higher scale of living. There is no hope of achieving better living conditions unless we are willing, as a people, to undergo the self-denial necessary to enlarge our savings. One of the most patriotic things a citizen can do is to live frugally and save a part of his income in order to provide more and better capital equipment for industry. It is not necessary for him to be an investor himself. If he puts his savings into the bank or into life insurance, they flow into industry through loans and the purchase of bonds and stocks. That means more and better capital equipment and increased production.

Saving is one way in which nearly every citizen can benefit himself and his fellows. Self-denial, modest living, and abstinence from all forms of wasteful expenditure not only benefit the person who so lives, but are among the finest and most useful services he can render to his fellows.

Suppose we had, not one hundred giants in our country, but one thousand giants, all producing more and better merchandise and services of all kinds that we need for the enrichment of our lives and the upward trend of our civilization! We can have those one thousand giants working for us just as rapidly as we are willing to save the capital necessary to make them possible.

The more we understand this matter, the more apparent it becomes that the persecution of industry, the heavy taxation of its profits, the contempt that is poured out upon the one who succeeds in saving and accumulating investments, far from improving the lot of mankind, are among the greatest hindrances and heaviest handicaps to achieving the abundance that we all desire. If the dream of conquering poverty is to be realized, we must stop ridiculing and penalizing the saver and accumulator of wealth, but rather encourage him to go on with his self-denial in order that more and better factories, more up-to-date and efficient machinery and better equipment of all kinds may be created and put into productive use.

It may not be possible for me to save enough to buy a railroad engine, a steamship, or a factory, but I profit nevertheless when others are able to do so. I enjoy driving an automobile even though I could never save enough to build the factory and install the assembly line that made it. The men who saved to do that benefited themselves, to be sure, but the enrichment accruing to them is but a tiny percentage of the benefit they have conferred upon all the rest of us.

Let us bless and reward the saver. For every dollar he accumulates he benefits the public many fold. The more he has the better it is for us. A few million dollars of savings went into the development of harvesting machinery resulting in a few fortunes, but the real gain accrued to the public in lessened toil and cheaper food. If wheat had to be sown, reaped and threshed by hand, how much would bread cost and how much of it would we have? I venture the guess that all the fortunes growing out of the harvesting machinery industry are less than one-thousandth part of the benefit it has conferred upon society. The same might be said of railroads, steel, meat packing, oil or any of our great industries.

If we had ten millionaires in this country for every one we have now, the standard of living would be much higher. If a man benefits the public by ninety-nine cents for every penny

he himself retains, the more he accumulates the better it is for us all.

Hats off to the saver! May he multiply the number of giants who serve us!

Chapter 5

THE NATURE OF PROFIT

Production for Use

Profit is the corn not used for food that is carefully saved, in order that a bigger crop may be grown next year; it is the dollars not used for payroll, raw materials, taxes, payment for the use of capital and other expenses, that can be re-invested for plant expansion and better equipment in order that future production may be greater; it is the fertilizer that quickens the imagination of men, spurring them to ever new and greater efforts. Profit is the reward that comes to those who are most successful in supplying human wants—who deliver better goods and services than others are offering; it might be said to be a commission on the service an entrepreneur is able to render to the public. Profit will inspire more men and women to make extraordinary efforts than any other known motive; since it comes from rendering better service or producing better merchandise at lower prices, it is a result, or by-product of service rendered to the public. The fact of profit is proof

that service has been rendered. Profit is probably only a fraction of one per cent of the benefit accruing to the public but small as it is, it caused that benefit.

Some there are who regard profit with disdain and contempt and speak of producing goods for use and not for profit. They do not seem to realize that unless goods are widely used, there will be no profit, and that if there is no profit, equipment cannot be maintained, assembly lines expanded nor production increased. Profit is the proof that there has been use—extensive use. Business must be profitable or it will not and cannot continue to supply goods and services to the people.

Origin of Profit

The following stories will, I believe, make clear the essential and beneficial nature of profit—that it is not a drag, a handicap, nor an expense to the people, but prima facie evidence that someone has succeeded in rendering better service to the public than anyone else has been able to render.

Imagine a primitive village on a bluff overlooking a river. Every day, water must be carried up the steep path in heavy stone jars. A considerable part of the energy of the inhabitants of the village is consumed in the effort.

One able and enterprising citizen accumulates a little extra food occasionally and uses his spare time hollowing out bamboo poles. These are painfully and slowly joined together and, little by little, perhaps not more than one pole a week, a long pipe line is laid far up the river and a stream of running water brought to the village.

Now the equalizers of wealth appear and would divide up the pipeline. But our enterprising citizen is strong and has friends. He is able to defend his property and to charge the inhabitants of the village a small toll for filling their jars in the pool created at the lower end of his water main. This pro-

duces an abundant supply of water right in the village and saves the villagers the toil of carrying it up the steep path. Much of their time is freed for other pursuits, and the standard of living rises.

The proprietor of the new water works has become a capitalist. In so doing he has not injured, but has greatly benefited all the inhabitants of the village. It is no longer necessary for him to hunt, as his needs for food and skins are met by the toll he charges for water.

Now he has more spare time. He fashions a sluiceway at a convenient point along the bank of the river, constructs a dam and installs a crude water wheel. Patiently he chips off two hard stones until they are flat of surface and round in form. With a crude gearing to his water wheel the upper stone is made to turn upon the lower and grain is ground.

This saves much of the time of the villagers who formerly had to crack their grain with stones or mash it in what might be termed a crude mortar and pestle. For this great service our enterprising citizen charges toll and becomes a more powerful capitalist.

The people now begin to think of other improvements that can be made, in their new free time, for lessening labor and increasing production. One man fashions a plow that will break up more soil than many men working by hand. He charges toll for the use of his plow and becomes a capitalist, but all have benefited by his enterprise. He owns the plow but all men work less and eat more because of it.

Another man uses his spare time to domesticate wild animals. He discovers that he can teach them to pull the plow, vastly increasing the amount of energy available to meet human needs. He owns the animals and he charges for the use of them. But the charge is so small in proportion to the service rendered that better living comes to the whole village.

As capital accumulates, other improvements are made and

life becomes happier and more pleasant. None of these primitive capitalists has imposed a burden or a penalty on the community, but all of them have contributed much to the pleasure and comfort of living. They have reduced the length of time that men must work. They have cheapened the production of food, so that the fear of famine has been banished. They have made life better for all.

If the taxers and equalizers of that day had prevailed, and had been able to take their profits from these primitive capitalists as rapidly as they were earned, the whole community would have suffered and would have been deprived of the vast benefits accruing from profits and capital accumulation.

In like manner, if the taxers and equalizers of today slow up or destroy the process of capital accumulation, by taxing profits too heavily and by discouraging initiative and effort, all the people will suffer thereby. If the standard of living is to keep on rising, we must have more and more capital accumulation. Men will deny themselves the pleasure of current consumption in order to save if they have a substantial hope of reward for so doing and if they can be reasonably sure of not being despoiled of their property.

How Profit Serves Us

A good example of what capital accumulation will do for American workers and the public may be seen by comparing the prices of gasoline with wages during the past fifty years.

As compared with 1903, the tank wagon price of gasoline has actually fallen about 10 per cent while during the same period of time, wages for common labor, first class mechanics, and oil refinery workers have risen from 1100 to 1250 per cent. The price of gasoline has not risen because vast amounts of capital, under very able management, have been invested

in continuous research and more efficient equipment. Under a program of excessive taxation and wealth equalization this would not have been possible.

About 1870 a tubular iron bridge was constructed across the St. Lawrence River. Some forty years later a new steel bridge was erected on the same site. The new bridge had four times the capacity of its predecessor and its cost was one-fourth as much. The cost per ton of traffic on the new bridge was, therefore, just one-sixteenth of the cost per ton of traffic on the old bridge. The gain to society was 1600 per cent.

During the forty years between the building of these two bridges, the entire steel industry was developed and a goodly number of men became millionaires as a result thereof—some of them multi-millionaires. Nevertheless, the fortunes they made were only a tiny fraction of the public gain growing out of the development of steel. The people got better bridges at less expense. They were able to build bigger and more durable buildings. Machinery and tools were more efficient, less expensive, and lasted longer. Railroad equipment was far more durable, much safer and more comfortable. Many new industries were created, supplying jobs for millions of workers. The benefit accruing to the public was so vast as to be almost incomprehensible.

The millions paid to the men chiefly responsible for these improvements were small enough pay for the great service rendered. If a man earns a dollar for me, I shall cheerfully pay him a penny. The more pennies I pay him on that basis, the more dollars I shall have. That is the correct way to look at most of the fortunes that have been made in our country. Would these men have done what they did without the possibility of profit? It is extremely unlikely. A few might have done something but even the best of us are spurred to greater efforts by the hope of receiving substantial rewards.

If the time ever comes when men are willing to work as hard

for the public, as up to now most of them will work only for themselves and their families, then socialism might be partially successful. But that time is many centuries, if not milleniums, in the future. Meanwhile, why not use the profit motive as the most available and the most effective means of steadily increasing the volume of goods essential for the relief of poverty and for improving the standard of living?

Men toiled from sun to sun when farm work had to be done with hand tools, and most of our population was needed to produce food. Harvesting machinery released the greater part of these men, and their efforts resulted in the vast quantity of industrial goods that has been made available to the American people.

Excepting only the prophet and the artistic genius, the imaginative, constructive individual who can develop new and better ways of getting work done, is our most valuable citizen. The rest of us ride on his shoulders. If we refuse him recognition and compensation for his extraordinary efforts, and discourage him from performing these Herculean tasks on behalf of the rest of us, our rate of progress toward better living and higher cultural attainment will be very slow indeed and may come to a standstill. Profit is the best known means of encouraging these gifted men to work for us.

Another important function of profit is to finance research. It is said that the DuPont Company spent $27 million developing nylon. The Radio Corporation of America spent $50 million pioneering black and white television and another $50 million on color television. Monsanto Chemical and American Viscose spent $40 million developing a new synthetic fiber, Chemstrand. Hundreds of firms all over our country are carrying on research operations to develop better products. Millions of dollars, all coming from profit, are expended for this purpose every day.

Profit finances cancer research; it provided the anti-polio

vaccine; it gave us antibiotics; it conquered tuberculosis; it performs incalculable feats for the health and welfare of our citizens.

Profit has given us hospitals, museums, libraries, churches, orchestras, operas, schools and colleges. It contributes in a thousand ways to the material, cultural and spiritual progress of our people. It might truthfully be said that the amount of profit earned within a nation is a measure of the progress that is being made. Destroy profit, or confiscate it by excessive taxation, and advance in all these many directions will cease. The status quo could not even be maintained and regression toward primitive times would set in.

Profit and Stewardship

Many years ago during the dark days of the great depression, I sat in the office of one of America's great industrialists. He was walking the floor that evening in great perplexity of mind.

"Out there," he said, waving his hand in the direction of his factory, "I have at least a thousand men that I do not need. If we discharge them I don't know how they will live. On the other hand, many of our stockholders are widows and elderly people, almost wholly dependent upon the dividends we pay them. If we keep men on our payroll whom we do not need, we may not be able to continue paying dividends much longer. Then, there is the public, the masses of the people, who in these hard times need our products at the lowest possible prices. Keeping idle men on the payroll prevents us from lowering prices to the extent that we believe advisable. Furthermore, we need capital to improve our plant and to install better machinery which will enable us to further lower costs. By keeping our payroll up and paying modest dividends, we are reducing our working capital. Maybe we ought to use it for these improvements. Will you tell me, sir," he said, turn-

ing to me, "what is my duty as the head of this firm and as a Christian? How shall I divide the resources of my company between labor, dividends to those whose savings made our business possible, lower prices and improvements necessary to render better, and more adequate service? Then," he said, "some of us have given our very lives to this company in long years of hard, diligent and faithful effort. Its success has been based upon inventions and improvements which we have made. How much are we entitled to for supplying the brains and the hard work that have made our business successful?"

Here was a man who was going the second mile in his efforts to do his duty, to be fair to all, and to render maximum service to society. Perhaps he received a salary of $100,000 a year, I don't know, but I do know that he was worth a great deal more than that to his stockholders, his employees and to the public.

During the great depression, another company with which I was well acquainted, found itself in difficulty. Its market was declining, it had not paid its stockholders a dividend for a long while. Many of its employees had been discharged, and those who remained expected to lose their jobs at any time. The company was on the verge of bankruptcy.

As a last resort the board of directors employed a high-priced executive and agreed to pay him an excellent salary. In a little while, as a result of this able man's efforts, the products were improved and orders began to flow in. The employees soon felt more secure in their jobs and some of those who had long been laid off were called back to work. A year later dividends were resumed—small, at first, but increasing later.

Did this man earn his big salary? The employees thought he did for they were back at their jobs with steady wages. The stockholders were sure of it for, whereas they had considered their investments lost, they were now profitable once more. The public approved, for the people seemed eager to buy the

products of this business. The bankers were satisfied, for they were no longer worried about their loans.

Maybe capable men could be persuaded to perform such miracles by some incentive other than large salaries but, for most men, and excepting only a few great souls, no other inducement has proved so effective. Some are not reconciled to face the facts but continue to complain that men ought to be motivated by more worthy considerations. Try as we will to change them, nevertheless, we must work with men as we find them.

Our Lord was sparing in his criticism of men and declared that ". . . the laborer is worthy of his hire . . ." (Luke 10:7). He commended those who were industrious and used such capital as they possessed to earn profit, and the larger the profit the more he entrusted them with larger responsibilities.

There is nothing wrong with profit earned in honest enterprise. It is essential as a means of inducing greater effort. In the societies where the most profit has been earned, the greatest progress has been made toward conquering poverty. If we want to meet human needs, relieve suffering, banish the specter of hunger, disease and misery from our country, and throughout the world, we must encourage those who are able to manage businesses successfully and to earn a profit. We must not criticize, hamper or tax them to the point of discouragement. We must recognize the enormous value of their contributions, seek them out, and create a favorable environment in which they can do their best.

Chapter 6

DIVIDING THE WEALTH

The Appeal from Jesus to Caesar

The advocates of the so-called "social gospel" by coercive action of the state, invoke the name of Christ to justify their desire to take wealth from others in order that they might bestow it upon those whom they think more needy or more deserving. Some Christians talk about equalizing incomes and dividing up the wealth as if it were the very essence of the gospel. Our Lord did not share their views even though He faced the same problems, the same demands and the same type of propaganda as we face today. When a certain man said to Jesus:

> "Master, speak to my brother, that he divide the inheritance with me." (Luke 12:13),

Jesus replied to this would-be equalizer of wealth:

> "Man, who made me a judge or a divider over you? And He said unto them, Take heed, and beware of covetousness: for a

man's life consisteth not in the abundance of the things which he possesseth" (Luke 12:14-15).

The equalizers of wealth were in full cry 2,000 years ago even as today. The communists, the socialists and the welfare staters of today are only the modern advocates of the age-old propaganda to take wealth from others.

The shrill cry of "divvy up" has been heard through the ages but is becoming more insistent today than it was 2,000 years ago.

Many covet the possessions of others, and try to get them by political means, whereas the right way to meet one's own needs is through the rendering of service to others.

We need a law, say some, to make employers pay higher wages; we need a law, say others, to compel the workers to give a fair day's labor; we need laws, say many, to force a redistribution of wealth through the medium of taxation and a bigger government bureaucracy.

Listen again to Jesus' reply to all this clamor:

". . . who made me a judge or a divider over you? . . ."
". . . Take heed and beware of covetousness . . ."

Thus Jesus silenced the propaganda and refused to have any part in the distribution of wealth and equalization of income.

Although the poor were much in Jesus' mind, and He had great sympathy for them, He nevertheless saw clearly that the way to help them was not to give them the possessions of others, but to nurture in them the seeds of character and integrity which would make them more useful members of society, and so bring to them more adequate incomes. As Paul Harvey puts it, "You never hear of Jesus worrying about moving people out of the slums. He walked the squalid streets from end to end . . . getting the slums out of the people."

Insurance will do much for the victims of accident, disaster and disease. It must be generously supplemented by Christian

charity freely given. Especially is this true in the case of incompetence.

> "We then that are strong ought to bear the infirmities of the weak" (Rom. 15:1).

People live in slums because of low earning power. This may be due to lack of education, poor inheritance or to drunkenness or other vices. It is important to add that government intervention in the form of high taxes and legislation fostering the growth of featherbedding and limiting output, resulting in the abnormally high cost of housing, are large factors in the slum problem. Rent control is another form of government intervention aggravating housing scarcity and increasing slum difficulties. Seizing the wealth of others to aid slum dwellers will reduce more and more people to that level, but seeking to develop in them the character and capacity necessary to make a greater contribution to society, so they in turn will receive larger incomes, is the way to help them and at the same time promote better conditions for all.

The socialists are not following in the footsteps of the Master, but have departed from His teachings and are appealing to Caesar to do that which they seem to feel cannot be accomplished through the religion of Jesus Christ. Apparently, they think the state is more powerful than God; so they are preaching the "welfare state" rather than the gospel of Christ. They would be well advised to become evangelists instead of church politicians. A prominent leader high in the councils of the church said to a social action group not long ago, "We must be pragmatic as hell; let's not have too many principles." That philosophy will never redeem mankind.

A Fallacy Exposed

An ardent young devotee of the "social gospel" announced to a group of ministers recently: "If the millionaires of our coun-

try would give up half of their incomes there would be plenty for all the rest of the people to live comfortably." Let us examine carefully this astonishing statement.

We shall start with the assumption that all persons with incomes of $25,000 or more per year, are millionaires. This is over-generous as many earn salaries of that amount who have very little property. In 1953 there were 303,208 such persons, and they received, after taxes, a total of approximately $10 billion. If this sum were divided equally among our total population, each person would receive about $62.50. But our enthusiastic young friend ask that only half of it be divided. Each person would, therefore, receive $31.25 or about 8.5¢ per day—hardly a comfortable living.

Our young friend might contend that he meant a division of the capital resources of these wealthy persons, rather than their incomes. Very well, let's examine that matter.

The 303,208 wealthy persons mentioned above, whom we are generously assuming are millionaires, received in dividends and interest for 1953, a total of $3,593,001,000. If we assume that the stocks and bonds owned by these wealthy persons paid them an average return of 5 percent, the total value of their security holdings would amount to $71,860,020,000. Let us now assume, and it is merely an assumption, for we know of no way of getting absolute figures, that these persons also own real estate valued at $10 billion. Their total capital, therefore, would be $81,860,020,000.

Now, if we took half of this sum which the young minister wanted to distribute equally to the whole population of our country, each person would receive approximately $255. If a capital distribution could be made at all, it could be done, of course, only once and the $255 each person would receive would not be much on which to live comfortably ever after.

So, whether we seize half the incomes of all persons earning $25,000 a year and over, and distribute to the people 8.5

cents a day, or seize half of their capital assets for one distribution of $255 each, it would add little to the well-being of the people. Moreover, in the latter case, if these large holdings were broken up, the taxes they formerly paid would have to be added to the burden the people in the lower brackets are already carrying. Their windfall would become a liability.

Some Consequences of Wealth Division

But let us examine further the consequences of an attempt to seize half of the capital assets of the wealthy citizens of our country. The market for securities would collapse, as all the large holders would be trying to sell in order to meet the fifty per cent assessment. That would greatly reduce the value of securities held by the little people just as it would those of the large holders. Since the little people, personally and through their savings banks, insurance companies and other institutions, own a large part of the stocks and bonds issued in our country, they would be hit the hardest.

Mr. A. owns a prosperous garage business. In order to deliver half of his wealth for division, he must sell his garage. He has difficulty finding a buyer, for every other man of substantial means is also endeavoring to sell his holdings. The market for business properties would also collapse.

Another man owns a ship. He cannot sell it for the reason noted above and it will do no good to break it up in order to distribute the pieces.

The owner of a stock of automobile tires might possibly pass out a few tires each to a group of persons designated to share half of his wealth. The owner of a stock of rugs might do likewise. But generally speaking, there would be no physical means available for dividing up the wealth of the country. Engines, railroad cars, factories and assembly lines could not be

broken into pieces for general distribution, and they could not be sold on the scale necessary to carry out a seizure of half the capital assets of the wealthy Americans.

But let us assume for the moment that these handicaps could be overcome and a way found to divide half of the property of the 303,208 wealthy persons, so that each member of our population could receive and spend his $255. That would immediately and drastically decrease the capital assets of our country.

Since capital in the form of factories, machines, equipment and raw materials is necessary for production and employment, the output of wealth and the number of industrial jobs would decline sharply. The resulting chaos and disorganization would be indescribable. Disease and starvation might carry away multitudes. A generation would be required to recover from the disaster.

The disorganization resulting from an attempt at capital division would cause such a scarcity of consumer goods that the $255 payable to each person would buy little. There would not be much to buy. It is not generally realized that production is the great problem facing all of us. More wealth is needed to relieve poverty. Of course, there are surplus quantities of certain kinds of goods at certain times, but there never has been and cannot be, in the foreseeable future, any general over-production of consumer goods. The wants of the people are insatiable and there is no possibility of supplying them all.

Temporary imbalance as between the different kinds of goods and services that the people desire arises from time to time because of rigidity in our economic fabric. Certain groups are able to obtain wages far in excess of what other groups are receiving. This blocks exchange between the two groups. In a free market with a high degree of flexibility, adjustments are made from day to day curing such conditions as rapidly as they arise. Under a more static economy with a high degree of government intervention, such adjustments are

greatly retarded or not made at all. Imbalance not only remains but tends to become more intensified. The Keynesian plan is to reduce the effect of imbalance by general inflation, i.e., a rise in all prices and wages, tending to reduce or obscure imbalance as between the different groups of producers. But progressive and ever-increasing doses of inflation are necessary to keep this plan working until the fiscal system is finally destroyed by run-away inflation.

The Way to Have More

A good example of how the unrestricted accumulation of capital (before the days of the equalizers) was beneficial to society may be seen from the remarkable accomplishments of the late Henry Ford.

Starting with a capital of $28,000, in twenty years Mr. Ford's enterprise was worth $1 billion. This happened because Ford plowed sixty-eight per cent of his earnings back into his business. Today that cannot be done; the taxers and the equalizers do not permit it.

If the wealth dividers of Mr. Ford's day had succeeded in cutting in half the amount that he plowed back into the business and had allowed him to so employ only 34 per cent of his earnings, the growth of the business would have been cut down, not by one-half, but by 98 per cent.

At the end of twenty years under such conditions, Ford would have owned a $20 million company instead of a $1 billion enterprise.

Vast benefits have been conferred upon all of us because Ford was not equalized but was allowed to lead on and up. Not being subjected to heavy taxation he was permitted to run his $28,000 up to $1 billion in the short period of twenty years. In so doing, he made a large number of other men rich, but what is more important he made all of us much richer than we

otherwise would have been. The Ford fortune is certainly tiny in comparison with the benefit accruing to society as the result of the activities of this extraordinary man.

It does not so much matter who owns a transit system as long as it be operated efficiently so that adequate transportation is supplied to the people. It does not so much matter who owns a coal mine as long as it be well managed, supplying safe, remunerative jobs to workers and warmth and power to the public. Attempts at arbitrarily dividing up ownership and taking it out of the hands of competent management, inevitably destroys efficiency and reduces the output of goods. The proper way to divide ownership, without destroying efficiency, is for all the people who can to save a part of their earnings diligently and purchase the stocks and bonds of the companies in which they are interested. This gives them the ownership they rightfully desire without lessening the stream of desirable goods flowing from our mines, factories, mills and farms.

There are only a few men with the necessary imagination and constructive ability to manage a large industrial enterprise successfully. If they are to be hampered for lack of capital and required to work without adequate remuneration, the best results will not be achieved, and we, the people, will suffer far more than they. Their abilities will always enable them to earn enough for themselves, but our interest lies in keeping them very busy working for us. We can afford to allow them some extra privileges in return for the enormous benefits they confer upon us.

Dividing up the wealth is the way for all of us to have less. It is better to have a small piece of a big pie, than an equal piece of a very small pie, or the right to a share of a pie which does not exist.

Equalizing Wealth Destroys Civilization

If the United Nations achieves the ideal of many of its supporters—more and more international equalization of wealth —civilization will disappear for the reasons we have mentioned. If the people of Egypt, Greece, Rome, Phoenicia, Spain, France, England and the United States had been unable, each in turn, to produce and accumulate abundantly, and if they had not been free from modern tendencies toward world-wide forced equalization of income, not one of them could have made the contribution to literature, science, culture, and commerce that they were able to make, and the progress they achieved would not have taken place.

In the future, leadership in commerce, industry and culture may pass from continent to continent as one people after another gains the ascendancy in production of wealth. Just as we can see how no progress would have been made toward developing civilization in the first place, had there been forced equalization of income, so we may reasonably conclude that such civilization as now exists will disappear if that program is realized. In that event, the bright future of a world without poverty, which now seems to be within our grasp, will fade out in the gray mist of the social equalization now being pressed upon us.

Life was hard in Europe during the Middle Ages and the first two-thirds of the modern Era, largely because of the scarcity of capital. It is still very hard in most of the world, and for the same reason. In the early part of the last century women and children toiled long hours at hard labor in the mines and factories of Britain and other countries. Small children were forced to crawl through narrow chimneys in order to clean out the soot with their bodies. Suffocation was not unusual. Sixteen hours daily of hard physical labor under

the most wretched conditions was the fate of many men, women and children.

Until about two or three hundred years ago starvation even unto death was the common lot shared by many. The normal habitation for millions was a windowless hovel made of brush, mud and thatch, with a smoke hole at the top. The living were often too poor to bury their dead. Corpses were a common sight on dumps and floating in canals and rivers. The common people were too hard-pressed to stay alive to spend precious time and energy upon the dead.

Death was the penalty for a great number of crimes, and many were left hanging from gibbets, impaled on castle walls or chained to charred stakes, as a lesson to survivors not to dispute the authority of the king, the nobles or their minions. Even the taking of a weekly bath might bring death to the whole family.

In the race with starvation, dogs, cats, wolves, crows, rats, mice, grasshoppers, roots and the barks of trees were eaten as food. Acorns were a regular part of the diet, and black bread was the staple article of food well into the eighteenth century. There are said to have been eight famines in France during the eighteenth century. One million persons died in that country of hunger in 1790.

This terrible condition was finally relieved with the increase of capital. Better tools and farming machinery made possible greater production of food. Improved means of transportation overcame the effects of local crop failures which formerly might carry off a large part of the population in the affected region. Storage facilities and means of preserving food that came with more capital equipment, provided a further margin of safety and a rise in the scale of living.

Larger production made possible more saving and capital accumulation. Profits plowed back into business undertakings increased productivity at an ever-expanding rate.

Just as the accumulation of capital relieved the horrible

conditions existing in Europe down to a century and a half ago, in like manner, decapitalization resulting from wrong economic policy, the penalizing of our most productive men, excessive taxation discouraging the will to save, and the seizing of property by government will not only stop progress but head us back toward this unspeakable suffering and degradation.

Thinking more deeply into this matter, we must face the frightening possibility that if we lost our industrial civilization through capital exhaustion, our descendants might never be able to recover it.

In an arresting volume, *The Challenge of Man's Future,* Dr. Harrison Brown develops the thesis that our industrial civilization arose because essential raw materials, such as coal, oil, iron, non-ferrous metals, and sulphur, existed in concentrated form near the surface of the ground and were readily available for man's exploitation with little expensive equipment. Now that these easily accessible materials are nearing exhaustion, more and more capital equipment is essential in order to obtain them. Since they are necessary for an industrial civilization, ways must be found eventually to get them from sea water and from igneous rock. This can be done but will require enormous capital resources. Very extensive equipment will be required to process vast quantities of sea water and granite.

If decapitalization were to take place through large scale war, excessive taxation, or schemes for equalizing wealth, mankind would revert to an agrarian form of society. With fuels, minerals, and essential raw materials in concentrated form exhausted, a low-producing agricultural economy would not be able to accumulate the vast amounts of capital necessary to achieve again an industrial society based on scarce, hard-to-get materials. In other words, if the motor stops, we might not be able to crank it up again and our descendants might be condemned to back-breaking toil from sun till sun

such as our ancestors endured from before the days of recorded history down to recent times.

At the present time, North America has sufficient capital to face a future of scarce, essential materials and still maintain a rising standard of living. It is doubtful if it can be accomplished even here, however, if we follow the present tendency of equalizing wealth, excessive spending for "welfare statism" and for economic and military aid around the world.

If the pattern is preserved here, in time it will spread to the rest of the world. If it is lost here it will be lost for a very long time.

PART THREE

GOVERNMENT

Chapter 7

LIMITED GOVERNMENT

Some Failures of Socialism

When people sincerely worship God, a great deal of wisdom is given to them. They are oftentimes guided to right action in matters which they may not fully understand. In some manner our ancestors knew that if they were to remain free men, in control of their government, and not to become its slaves, they must greatly limit its power. Our federal government was established on the basis that it would do nothing which the states and the people were able to do for themselves. Little by little, this has been reversed until we are approaching a condition wherein the states and the people will do nothing which they hope to get the federal government to do for them. Today, when difficulty of any kind arises, the ready answer is "more government."

Not long ago the Long Island Railroad in New York found itself in many difficulties. Service was poor, accidents frequent, and bankruptcy was impending. Almost with one accord,

public comment and newspaper editorials declared that the situation was intolerable and demanded that it be remedied even though it might be necessary for the government to take possession of the property. It was assumed, without argument or discussion, that government ownership of the railroad would improve conditions. All history as well as theory proves the contrary, but so firmly has it become fixed in the public mind, that government ownership or control of an industry will solve its problems that unthinking people seem to take it for granted.

Apparently, we have been so blessed with freedom for so long in our country that we have forgotten that the blessings we enjoy come from that freedom. We are so far removed from slavery to church or government that we no longer are keenly aware of the hazards and handicaps that exist under these forms of authority. Because freedom presents many problems to be solved, we do not stop to think that the statism proposed for their solution will involve us in many greater and even insoluble problems that will not only annoy us but will destroy our freedom.

The early Christians tried a form of communism for a short time. In the Book of Acts we read how they sold their possessions and brought the money to Peter to be shared by all for current living. They expected the early return of the Master and did not think it necessary to plan for the long future. Even so, under these special circumstances, lying and deceitfulness broke up the experiment, and communism in the apostolic church was carried out and buried with the bodies of the lying communists, Ananias and Sapphira. So ended collectivism among the early Christians. If it would not work among saints such as they, what would happen if it were tried among sinners like us?

The earliest colony on the eastern shores of our country at Jamestown, Virginia, practiced communism until starvation demonstrated its failure.

The Pilgrim Fathers tried communism when they founded the Plymouth colony in Massachusetts. All grain was put into a common pool from which each received his portion. The experiment failed. Let Governor Bradford tell the story. Of the attempt at communism, he wrote:

> "It was found to breed much confusion and discontent and retard much employment that would have been to their benefit and comfort. For the young men that were most able and fit for labor and service did repine that they should spend their time and strength to work for other men's wives and children without any recompense. The strong or men of parts had no more in division of victuals and clothes than he that was weak and not able to do a quarter the others could; this was thought injustice."

Governor Bradford goes on to explain how this experiment showed the falsity of the belief that,

> ". . . the taking away of property and bringing in community into a commonwealth would make them happy and flourishing as if they were wiser than God."

The able men, Governor Bradford explains,

> ". . . thought it some indignity and disrespect to be ruled and equalized in labor and victuals, clothes, etc., with the meaner and younger sort and for men's wives to be commanded to do service for other men as dressing their meat, washing their clothes, etc., they deemed it a kind of slavery, neither could many husbands well brook it."

At the end of two years of collectivism, the Pilgrims were starving. They held a council to devise means of staying alive. As usual under such circumstances, they decided it would be each man for himself. In Governor Bradford's own words, the Pilgrims,

> ". . . began to think how they might raise as much corn as they could and obtain a better crop. . . . At length after

> much debate of things, the Governor with the advice of the chiefest among them gave way that they should set corn every man for his own particular and in that regard trust to themselves . . ."

The decision having been made, the Governor assigned to every family a fair share of ground. This move he reports,

> ". . . had very good success; for it made all hands very industrious, so as much more corn was planted than otherwise would have been by any means the Governor or any other could use, and saved him a great deal of trouble, and gave far better content. The women now went willingly into the fields and took their little ones with them to set corn, which before would allege weakness and disability; whom to have compelled would have been thought great tyranny and oppression."

In the autumn of 1623, six months after the end of the communist experiment, the first Thanksgiving celebrated the abundance resulting from private enterprise. In Governor Bradford's words:

> "By this time harvest was come and instead of famine now God gave them plenty and the face of things was changed to the rejoicing of the hearts of many for which they blessed God. And the effect of their particular planting was well seen, for all had, one way and another, pretty well to bring the year about, and some of the abler sort and more industrious had to spare, and sell to others, so as any general want or famine hath not been amongst them since this day."

Divine Right of the People

God seems to bless those who put forth their own best efforts on behalf of themselves and their families rather than those who seek through collectivism to profit from the labor of others.

Our fathers quickly saw that even under emergency conditions communism would not succeed. Moreover, they had keen memories of tyrannous governments with too much power, of authoritarian churches and of oppressive bureaucracies in both church and state. They did not want to reproduce such conditions in the New World. They wanted a church that would let them live and work in accordance with conscience, and they wanted a government that would serve but not enslave them. Therefore, after a period of floundering and uncertainty, they set up a regime of freedom in religion which has proliferated in a great variety of denominations stressing different phases of truth in accordance with the varying understandings and emphases which a free and individualistic people wished to observe. Freedom, initiative and independence thereby have been served. Unfortunately, we are now facing within Protestantism a powerful move toward uniformity and authoritarianism. It is the old, old story of a hierarchy seeking to increase its power.

Having had enough of cruelty and repression from government, the founding fathers limited the federal government in our country to conducting foreign affairs, providing for the common defense, establishing weights and measures, setting up the fiscal system, punishing fraud, protecting life and property, and establishing the few simple functions set forth in our Constitution. The philosophy back of it all was the divine right of people to manage their own affairs as distinguished from the divine right of king or church to control, govern and exploit them.

How Government Gains Control

When government is limited to a few functions, the people can understand and control it; but when it becomes complex, as it is today, no one understands it, and no grouping of people

is able to control it—not even the officials whom we elect to devote their full time to it. If our senators and representatives spent all their time reading bills, with no time for committee hearings, research and investigation, they could not read all the bills upon which they must vote. Obviously, therefore, they must vote unintelligently on many measures. If that is true of our full time representatives, what about us ordinary people who must devote most of our time to earning our living, leaving us at most an hour or two a day to study public affairs?

Under such conditions, people readily admit: "This thing is too complicated. We don't understand it, but the President has the experts, the advisors, the counselors and all the help he needs to analyze these measures. He certainly knows more about it than we do, so let's give him the authority to make the decisions and to act."

By that process we pass over more and more power and authority, and one function after another is added to the activities of the central government. In such manner, our freedom and independence are slipping away from us and more and more, instead of the people controlling the government, the government controls them.

According to *Studies in Income and Wealth*, Volume 12, page 535; National Bureau of Economic Research, 1950, the portion of our wealth owned by the federal government rose from 6 per cent in 1902 to 20½ per cent in 1946. It is estimated to be about 27 per cent in 1955.

On pages 197 and 198 of the *U. S. Government Organizational Manual 1953-54*, we read: "The jurisdiction of the Department (Interior) extends over the continental United States, to the islands in the Caribbean and South Pacific, and to lands in the Arctic Circle. It includes custody of 750 million acres of land." This is approximately 40 per cent of the area of continental United States. The greater part of this land is owned by the United States and the "custody" or "jurisdiction" of the Department of Interior over the remainder is such that

the actual ownership represents a very much circumscribed privilege. Of course, much of this land is desert and mountains, but the total is nevertheless impressive and it does not include land acquired by other government departments and agencies such as the Tennessee Valley Authority, the Atomic Energy Commission, Public Housing and many others.

When the government owns the wealth of our community, especially wealth in the form of land, we have socialism or communism. When people are deprived of property they have no means of resisting government, and become its victims. If they do not own the means of producing food, clothing, housing, tools and industrial equipment, they cease to be independent and must obey the bureaucracy set up by government, accept its rations and work at whatever jobs it assigns to them.

Today we speak more of the Presidency than of the President. What is the Presidency? A vast organization of tens of thousands of men and women doing all sorts of things that the President himself does not even know about. He can't, because there isn't time for him to follow the complex activities of this vast machine.

Freedom and Managed Economy Inimical

Let us think for a few minutes about the thesis that government-managed economy cannot exist side by side with freedom. The two are inimical. In a managed economy, government must establish prices and wages. That is the most essential part of the management. Of course boards and committees are set up but they follow the patterns established by government.

Nearly all of us are wage earners and we all want higher wages. It is easy for all of us to prove that we need more; so we say to the government, give us higher wages. If it does not do so, we organize ourselves into pressure groups, throw out the

government and elect one that will do as we desire. The government must do as we, the majority, demand. Wages, therefore, go up. When wages rise, unaccompanied by increased efficiency, prices must rise, too, for wages are the predominant factor in prices. Except within very narrow limits and for short periods of time, there is no such thing as wage increases, apart from more efficient production, without corresponding price rises.

When prices rise, we the people again demand wage increases, and the government must accede to our demand or we will vote it out. Prices, in turn, advance again. This is followed by a further wage increase and a further price increase. The spiral accelerates as it grows higher. We have round after round of wage increases coming almost every year. The interval of time between rounds grows shorter and the successive increases greater.

The stronger pressure groups are able to maintain their relative positions at the expense of the weaker groups who are unable to bring sufficient pressure to bear upon government to keep their wages rising in proportion to prices. The unorganized groups suffer most severely. I have been in many countries where the middle class has been almost entirely dispossessed. A civilization becomes very ill when its middle class disappears.

In addition to being wage earners, we are all consumers, and we do not like the higher prices that the wage-price spiral brings. So we say vigorously to our government, we want lower prices. The government must attempt to give us lower prices or we will throw it out at the ballot box and elect a government that will try to do so.

How does a government give us lower prices in the face of rising wages and costs? By subsidies. We are now spending billions of dollars every year for more and greater subsidies. But we can't continue that process forever.

If the people want a government-managed economy, they

can have it, but they must do it Russia's way. They must give up their franchise, surrender the right to protest, and entrust the central government with complete economic power. That ends their freedom and begins their slavery.

Russia has government-managed economy, and it works after a fashion, because no one asks for higher wages and no one complains about prices. The terror-stricken slaves of the Kremlin tyrants do not dare protest their bitter fate.

Some may think they can surrender their economic freedom and still retain their political and religious freedom, but all history proves they are mistaken. Freedom is indivisible. Kill it in one realm, and it dies in another. The difficulties resulting from government-controlled economy are such that government soon finds it necessary to silence opposition and compel obedience. The fear of chaos is so great that people are likely to ratify such action at the ballot box and to vote more and more power to the central government until it is supreme. Then, when it wishes and when necessity warrants, it suppresses the free franchise.

On the other hand, if we want to keep our franchise and our freedom, we must divorce the government entirely from control of our economic activities. We can have one or the other—freedom or government-managed economy—but we cannot have both. It is time for us to choose under which of these two systems we desire to live. If we do not choose soon, we shall lose the power of choice and shall find ourselves enslaved by our government.

In the beginning it looks so simple and innocent. People say we do not want a government-managed economy, but we will have just a little government interference here and there to regulate a few things in the interest of those who need help. For instance, we will have a law that no worker can be discharged from his job and that workers on strike shall be maintained at public expense.

Now see what happens when we start this process. Suppose

the coal miners, food handlers or railway workers strike. Under the present laws the industry cannot hire new workers and the public cannot live without essential services. The government, therefore, steps in to settle the strike and, intimidated by the voting power of the workers, it is almost certain to grant a wage increase regardless of the merits of the case. This is followed by a price increase, and the spiral continues. Under increasing government intervention it will go right on up and out through the roof.

During the recent strike of dock workers in England, 24 per cent of the workers were idle, but the shippers were forced to pay them the same wages as if they had been working. It cost the shippers as much to load three tons of freight as it formerly had cost to load four tons. A situation of that kind inevitaby means higher prices, and companies tolerating it will lose business in competition with freer companies. Since business cannot long continue to pay idle men, the next step will be for the government to do it. It is only a short step from there to the point where government will be challenged to pay wages to every worker whether employed or not. When government assumes that responsibility, the workers will be obliged to accept whatever jobs the government designates, no matter where or what they are. In other words, freedom will have disappeared, perhaps even by popular vote, and we all shall have become wards of the state.

Some Government Intervention Failures

It ought to be evident to all of us that this form of slavery flows from the so-called innocent intervention of government in the economic live of the people. When Bismarck introduced the "welfare state" into Germany in 1881, it looked wonderful. Everybody was going to be safe and secure and have a good living. Everybody was happy. For more than a

generation, people learned to obey the government. This finally led to the regimentation which made it easy for Hitler to take command. The innocent so-called "welfare state" became totalitarian tyranny.

The same thing is happening as a result of Fabian Socialism in England. When government interference in economic affairs is tolerated, it slowly expands until freedom is lost. We must face up to that fact and deprive our government of the power to intervene in the economic activities of the people, or we shall lose our freedom much sooner than we think, and drift into the tyranny and slavery which have destroyed so many civilizations.

Let me cite additional examples of what happens when government intervenes in economic activities. In England before the First World War labor unions were responsible for maintaining their own unemployed. When unemployment began to appear in any industry, the leaders of the unions involved would take counsel. They might conclude that the price of the product which their members were turning out was too high. People were not buying enough of it, and this resulted in unemployment. They would sometimes say to their employers, prices must come down in order to widen the market. We are willing to take a temporary cut in wages so that prices can be lowered. Lower prices will result in more sales and our unemployed members will go back to work. Conversely, when business was booming, they would advise their employers that it was time for a wage advance. This flexible price and wage system afforded prompt adjustment to changing conditions, and unemployment never became a serious problem as long as it was in operation.

After the First World War, the Fabian Socialists, led by Lloyd George, thought it would be a grand scheme if the government would assume responsibility for maintaining the unemployed and relieve the unions of that burden. This popular measure, no doubt, prolonged the life of the Lloyd George

government and, politically speaking, was temporarily a success. The unions, however, ceased to have any interest in a flexible wage scale, and after that were never willing for wages to be reduced to meet changing conditions. On the other hand, they demanded that the wage scale should continually rise. It was this change from flexibility to rigidity that caused unemployment on a grand scale in England and depression that could not be cured.

The absence of freedom and the fact of government intervention in economic affairs are the causes of disastrous unemployment and long continued depressions. Keynesism was invented and inflation practiced in order to obscure them.

Two Depressions Compared

In witness of the above statement that government intervention causes disastrous unemployment, I call attention to the last two depressions in our country—the one in the early Twenties and the great depression in the Thirties. I was in business during both of these difficult periods, and I studied them at close range. Older people will remember that commodity prices fell farther and faster in 1920 than in 1929. It looked as if there would be more disastrous liquidation and a more desperate situation in the early Twenties than during the later period.

The earlier disturbance, however, was cured in a year and a half. How? First of all, at that time we had sound money convertible into gold. It was hard to earn a dollar, but if a man got hold of one, he knew it was good and he would work hard to earn another. Second, we adopted a policy of frugality and economy, of retiring large segments of the federal debt every year. Third, we had a flexible wage scale that permitted immediate and adequate adjustments in accordance with changing conditions. If a man could not find work at $10 a day, he

was free to accept $9, $8, $7 or $6 a day until he found employment. As a result prices fell until buying was resumed. In a year and a half that depression was gone and forgotten and more than seven years of prosperity followed.

This principle of flexibility is very important in maintaining the economic balance which causes prosperity. If "A" makes hats and 'B" makes shoes, at about the same cost in time and material, and one hat is exchanged for one pair of shoes, both firms and their employees are prosperous. They can work full time at good wages, but if "A" demands two pairs of shoes for one hat, the exchanges are blocked. Unemployment becomes severe and we have depression. Neither firm can continue operating because of the imbalance which prevents exchange.

If one man demands $30 a day, he cannot sell much of his output to the man earning $10 a day. When these imbalances occur in the economic fabric of the country, readjustment is necessary to restore balance. Under the flexibility of a free market economy these adjustments are being made at all times. Government intervention produces a rigidity which prevents them, maintains imbalance, perpetuates unemployment and tends to make depression permanent.

The Keynesian doctrine aims at correcting imbalance by spreading a blanket of inflation over it all. Inequalities are minimized by a general rise in wages and prices. This seems to work for a while but in order to keep on working, the degree of inflation must be continually stepped up until finally the fiscal system is destroyed.

Now consider the great depression which began in the fall of 1929. Let me stress, in the first place, that it was caused by government intervention in the form of low interest rates. This encouraged borrowing and speculation. All during the later Twenties when rising interest rates should have been checking the boom, which was gradually developing during those years, the government maintained interest rates so low as

to further encourage it. A top-heavy speculative structure was built up until it finally toppled over in the crash of '29. Self-adjusting interest rates operating in a free market during the Twenties would have prevented or greatly mitigated the severity of the crash and the depression which followed.

This was the first government-managed depression. It was caused by government intervention and our government tried to cure it by more intervention. It was met with measures exactly opposite to those which worked so successfully in the case of the earlier difficulty. Instead of encouraging the flexibility that restores balance between different groups of producers and so promptly cured the depression of the early Twenties, this time we resorted to government-imposed rigidity. In 1929 the administration tried to shore up the over-expanded, top-heavy structure by maintaining prices and wages at the old scale instead of letting them shake down to a solid basis on which reconstruction could begin. An official government effort was made to keep that wobbly, artificially inflated economy balanced on stilts. Employers and labor union leaders were called together and promises exacted from them that the old unbalanced and impossible price and wage structure would be maintained. The adjustments that would have brought recovery were blocked and the depression deepened.

In the second place, we deserted the gold standard and set up a system of fiat money. Thus we destroyed the confidence on which business expansion is based.

Third, we began the greatest extravagance in the peacetime history of our country. Deficit spending and a rapid increase in public debt were hailed as instruments of recovery.

As a result of all this, the government-managed depression was never cured. It lasted all through the Thirties. Unemployment was higher in the best year of the great depression than it was in the worst of the two years of the previous one. Had the war boom and subsequent inflation not changed the whole situation, I think the economic distress that plagued us all dur-

ing the Thirties would still be with us. There you have the difference between short depression under freedom and long, continued incurable depression, under government management. Surely it becomes evident that freedom and prosperity cannot be maintained under government-managed economy.

Government Proliferation

But let us see how far government proliferation has extended. In New York State, not long ago, a proposal was made to appoint a commission to solve all the problems of old people—all the problems of old people! Now, I'm getting along in years and I'd like to have all my problems solved—who wouldn't? Problems of housing, health, money, recreation, entertainment, cultural problems, all to be solved by the state. I suppose they will start at age seventy, come down to sixty-five, then sometime when politicians need votes, to sixty, and later when they need votes very badly, to fifty-five and maybe to fifty. That may seem incredible, but right now in France railway engineers and some other groups of workers are retired on pensions at age fifty. If people expect to work only half their lives, they must exist on half of what the standard of living otherwise might be.

No one has tried to estimate the cost of this proposal. They say it does not matter. As long as we owe it to ourselves we can keep piling up the debt forever and have a good time spending the money. The lower the age limit, the more votes the proposal will attract. There seems to be no limit to what the politicians, under public pressure, will attempt. No limit but bankruptcy!

Some years ago newspapers reported that a proposal was made in Washington to increase the appropriation for the children's Bureau of the federal government by 500 per cent, and that the Bureau be authorized to pension any child in the

country who, in the opinion of the Bureau, did not have a satisfactory living. Presumably the plan was for government inspectors to visit our homes for the purpose of determining whether or not we were taking proper care of our children. But if some children received help, the parents of other children would, in the course of time, demand it for their children. Just where would it stop until all children became wards of the state?

Some men already have discovered that by fathering a large family of children they can collect more from government than they are able to earn. This is just another example of how the practice of reaching out one's hand for public funds is growing. But if people are to be maintained by government they will have to be subservient to it. Help for children would, of course, imply the right of the state to influence their education. Certainly they would be well indoctrinated in favor of the government that was helping them. In the last analysis, state aid involves state control.

See how government is reaching out to control education! Through the veterans' program large numbers of young men and women are being educated at public expense. If U.M.T. is adopted it will be but a short step until most of the young men, and many of the young women of our country, will be educated by the Government.

Do you remember the book given to our young people in the army during World War II containing a few pages about the history of America down to the New Deal with fully three-quarters of the volume devoted to that experiment in socialism? Is any measure too extreme for a strongly centralized government seeking to justify itself?

Proposals have been made by our Santa Claus government in Washington to furnish a free college education to 400,000 of the brightest high school girls and boys. This would go far toward destroying their independence, self-reliance, thrift and industry and making them subservient to the state.

When I was a lad working my way through school and college, I had a very hard time and nearly starved in the process. If Washington had offered me a subsidy, I would have welcomed it with open arms, and probably would be singing the praises of the administration granting it clear down to this day. You cannot do things for people without doing things to them. Subsidy destroys character.

In my youth, as soon as school closed in the spring, we hunted jobs to earn money during the summer in the hope of returning to school in the fall. Many still do it, but I was told in England recently that some young people in college are living at government expense during the summer as well as during the school year. Apparently they loaf around the beaches, or in the mountains, drawing their government payments between school terms. It is not necessary for them to work during vacation. What kind of citizenry will that system develop? These youngsters will learn to look to government for support and guidance throughout their entire lives. They will do the bidding of government in return for continued sustenance. There is no freedom ahead for us if we succumb to that type of life.

"The history of freedom," said Woodrow Wilson, "is the history of the restriction of the power of government rather than the increase of it." There is no known limit to the desire of politicians to exercise power. They have seized steel, railroads and other industries illegally. If they secure the power to seize industry, they can seize people and tell them what they must do. If they can seize an industry to stop a strike, they can seize the workers for the same purpose.

Power in the hands of government is extremely dangerous and unless rigidly limited will destroy freedom and the right of the people to govern themselves. As previously stated no government that I know of, having the power to create all the money it desired has ever restrained itself from excessive spending until it has destroyed the fiscal system.

In an earlier chapter we referred to the fall of Satan because he sought to supplant God. Now he has raised the banner of the so-called "welfare state," administered by the coercive power of government, and in that guise is making a new attempt to gain sovereignty. He now proposes that the state seize the wealth of some of its citizens in order to be kind and generous to everyone in need until he can destroy their self-reliance, gain control of them for his own aggrandizement and eventually enslave them by the growing power of government. In this endeavor, I am sorry to say, he has the unwitting support of a very vocal minority of Christians, and even some ministers are falling in line to help carry out his program. "Woe be unto the pastors that destroy and scatter the sheep of my pasture! saith the Lord" (Jeremiah 23:1).

The Great Apostasy

The state handout is no substitute for individual Christian charity; the former promotes ill will, the latter loving-kindness.

We have witnessed a great apostasy from the spiritual to the secular, from God to the state, from the moral law to man-made law, from the whole Gospel of Jesus Christ to the so-called "Social Gospel." The former redeems the individual from sin and implants in him the desire for righteousness, while the latter, leading quickly to the coercive "welfare state," tries to redeem men by increasing the power of government—by legal rearrangement of economic affairs in the image of whatever political group is able to obtain control.

Public redemption can be brought about only by individual redemption. No legal action can substitute for the cry, "Create in me a clean heart, O God; and renew a right spirit within me" (Psalms 51:10).

Sadly, let me call attention to the fact that some Christian journals are leading the fight for expanded government. They support textbooks and teachers who make fun of the Constitution and the checks and balances it sets up for safeguarding our liberty. In place of these, they advocate more government control and speak of salvation by "the movements of history."

As the state acquires more and more power, the time will come when men must obey it rather than God if they wish to live. This is negation of the first and great Commandment. The totalitarian state demands the total allegiance of man. God is no longer the keeper of his conscience; but the state assumes that prerogative. The Commandment is being revised to read: "Thou shalt have no other gods before the state." God is being relegated to second place. Anti-Christ has risen in the form of the atheistic, materialistic, all-powerful state which crushes the bodies and souls of men.

We who believe in freedom under God must fight against state usurpation. We who believe in God first—not only in one's own life and in the family but in business and in Government—will never submit to an all powerful state. Upon the ministers of the Christian religion rests the responsibility of proclaiming the living Gospel that will command the whole allegiance of men. They must arouse our citizens to the danger that threatens them and bring them to a willingness to pledge their lives, their fortunes and their sacred honor to the perpetuation of our free, Christian civilization.

Chapter 8

SOCIALISM—REVERSAL OF GOD'S DESIGN

Approaches to Socialism

Socialism may be defined as government ownership (Soviet Russia) or control (Nazi Germany) of the means of production and distribution of goods.

It may be ushered in all at once by violence or revolutionary action, usually by a small group who seize control, and may be called socialism, fascism, communism or some term indicating that the state is in full control of the economic activities of the people.

More often socialism is approached gradually by popular vote, using such terms as "central planning," "government-managed economy," and the "welfare state," all of which indicate varying degrees of government intervention and partial control over economic activities. These conditions are not socialism but may be said to be steps leading toward it. In this chapter we are discussing not government intervention but full-blown socialism.

Socialism and Chaos in Accounting

There are four main reasons why socialism cannot succeed. First, it has no means of determining values other than the guess or whim of the ruling individual or group. If there were no free market to establish prices, how could one tell whether a fountain pen was worth more or less than a pair of shoes, a loaf of bread, or a concert? What is a coal miner worth per day in comparison with a minister, or a truck driver in comparison with a musician, an artist or an editor? Values depend not so much on the time and equipment necessary to make a commodity as upon the number of people who want it after it is made, how much they want it in comparison with other things they want, and how much they are willing to pay for it.

If prices, wages, values, terms and standards are not established in a free market, doing business becomes as difficult as if one had a pile of wheat and no pound or bushel with which to measure it and no dollars and cents in which to price it. Suppose one had a bolt of cloth and no inches, feet or yards in terms of which to offer it for sale.

Russia measures the ruble in terms of the dollar. Suppose there were no dollar or no free market to establish a value for gold, how would the value of the ruble be measured?

Russia compares her wages and prices in terms of those in the free world. If there were no free world, no free market in which prices and wages are determined, by what standards of measurement would socialism establish them? As long as there is a free market the measurements used by socialism may be compared with the norms and standards established in it.

Government fixes wages in relation to what private industry is paying. If there were no private industries to establish such standards, government would have no means of determining what to pay its employees other than its own fiat.

Government-owned light and power plants refer to the

prices they charge in terms of the prices established by private companies. All government-owned businesses compare their wages and prices with private enterprise as a standard of measure. What would they do if there were no private enterprises anywhere in any country with which to measure themselves?

The only way for a free people to determine prices, wages and values is by the free bidding of many persons and many producers in the market place. If this evaluator is lost—and unfortunately we are losing it everywhere including in our own country—we shall become the victims of the arbitrary guesses of bureaucratic employees with no adequate basis on which to make their decisions.

If the dollar is not convertible into something of intrinsic value, what is it worth? Its value fluctuates wildly as government issues or retires currency. Under a regime of such uncertainty and such lack of any standards of value in terms of which to measure wages and prices, how could accounting be carried on in a way that would reveal the facts concerning any business operation? No one could tell whether he was operating at a profit or a loss. Government businesses might operate at a loss over a period of time without even knowing it. They might continue until machinery wore out and buildings crumbled. Government might then issue paper money, but that would not produce factories, equipment, railroads and ships. Chaotic conditions undoubtedly would develop, resulting in low production, great hardship and possibly breakdown of civilized society.

As long as one country preserves some of the elements of the free market to determine values, wages and prices, the socialist countries can cripple along after a fashion by comparing with it, and using the standards established in it. But when the last free market disappears, socialism will have no way of determining the wants and desires of the people in relation to scarce goods and labor; the very means and terms

in which industry and commerce are carried on will break down. Without a market no one would know what or how much of any kind of goods to produce. Socialism, when fully realized, will bring chaos.

Such appearance of success as it has achieved has been due (1) to the using up of wealth accumulated under freedom (one may mortgage his home and splurge while the money lasts) and (2) slave labor as in Russia and her satellites.

Socialism Obtains Capital only by Seizure

The second main reason why socialism cannot succeed is that it has no means of accumulating capital other than seizure of the production of the people by force.

The ideal of socialism is equalization, or near equalization, of all incomes. In 1953 the per capita income in our country was $1,709. Since there are approximately 2½ persons for each wage earner, the average income for the gainfully employed was, therefore, a little less than $4,300. After providing food, clothing, shelter and other necessities, this would leave little margin for saving. If incomes were equalized the result would be nearly total consumption, with very little left over for capital accumulation.

The program of the United Nations is tending toward equalization of income on a world-wide scale. If this is ever realized, the inadequacy will be startlingly greater and, unless governments withhold production, total consumption will be almost inevitable.

Under total consumption there would be no capital accumulation. But without capital accumulation civilization never could have developed. If the system of equalization of income and total consumption is now forced upon us, such civilization as exists today will decline. When our machinery wears out there will be nothing with which to replace it. Trains will cease

rolling and ships will no longer crowd our harbors. When factories become obsolete they will not be replaced. When we are no longer able to replace our equipment as it wears out, production will fall rapidly and our civilization will disintgrate. If and when this happens and we are forced to return to the handicraft age, about 75 per cent of the world's population will perish. Those who remain might dig their livings out of the ground with only primitive tools and little equipment, but they could hardly maintain a degree of human culture that might be termed civilization.

It is tragic to think of hunger and suffering in a world where some people have more than they need and are able to accumulate capital. The alternative is arbitrary distribution of wealth on the basis of need. That would result in total consumption and, as we have seen, would destroy civilization. Some are in want because they are low producers; others have a surplus because they produce more abundantly. This surplus, far from being the cause of poverty, relieves it by supplying more jobs at better wages and by vastly increasing production. Equalizing and consuming seed corn helps but little now and makes the future stark indeed, but using it to grow a new and bigger crop brings help and hope to all. At the price of the lives of some of its members a starving family would hold back seed corn for the next crop. The same family might withdraw one of its members from the daily search for food and instruct him to use his time and ingenuity fashioning a plow in order that more food might be produced the following summer. If we are to achieve a better future, we must save, even at the price of self-imposed hardship.

If one is able to accumulate capital and use it productively, he benefits all of us. He creates jobs and less expensive goods for the public. He may benefit himself more than any other one person, but by far the larger portion of the improvement resulting from his enterprise is shared by society. The more persons there are who accumulate capital and use it produc-

tively, the more the whole population profits in improved living conditions. I am not able to save enough to build an airplane, but the savings of others make it possible for me to profit by rapid transportation.

This is the way civilizations have developed, and it is the way to maintain them. If people are encouraged to save by the hope of an adequate return and the certainty of the right to enjoy the fruits of their efforts, capital accumulation will proceed rapidly with an ever increasing and unlimited rise in the standard of living for all. But if capital is to be taken to meet the needs of sub-standard producers, its accumulation becomes difficult or impossible. The result is poverty for all with no hope of improvement.

Because socialism, or steps leading toward it, discourages the process of capital accumulation, it cannot succeed. Moreover, it will prove unable to maintain such civilization as now exists. Possibly a slave state might be maintained, but that is not what some of our benevolent citizens think of as socialism. A master-slave relationship is exactly at the opposite extreme from equality of income.

Much new capital is obtained today by retaining a portion of the profits of privately owned business. This is used for better tools and more efficient equipment. The result is increased production. Under socialism business would be owned and operated by government. If we may judge from experience, there would be no profit and nothing to set aside for better tools and equipment—nothing even to replace existing equipment as it wore out. Moreover, under the socialist slogan of "production for use and not for profit" there would be no profit in any event, and probably recurring losses. Hence, no expansion, not even maintenance of existing facilities, with an inevitable and rapid decline of production.

Discussing socialism with a member of the Yugoslav Government in Belgrade two years ago, this official said to me, "Of course you get much greater production in the United

States but we cannot hope to equal you or to operate as you do because we do not have sufficient capital." "That is true," I said, "and the sad part of it is you will never get the necessary capital as long as you retain socialism." "Why not?" he inquired with surprise. "Because," I replied, "under socialism the people have little incentive to save and accumulate capital. They cannot go into business for themselves for industry is government-owned and operated. They cannot invest in stocks with the hope of profit, for the public is not allowed to own securities. They can only hope for the small return from government bonds or the savings bank with the certainty, drawn from history, that inflation will decrease the purchasing power of their savings faster than the interest income will increase them. The result is decreasing incentive to save and increasing acceptance of the philosophy that one had better spend his money as fast as he earns it while it still will buy something." The discussion which followed was the beginning of the formulation of some of the considerations advanced in this chapter.

No Means of Choosing Competent Men

The third main reason why socialism cannot succeed is that it has no means of choosing the men who are the most capable of managing large business affairs. In the rough and tumble of free enterprise men exert themselves to the limit of their capacities in the effort to achieve success. As ability is demonstrated it is eagerly seized upon and given more responsibility. In this way the ablest men reach the more important positions in the organization and management of business enterprises. Those with the most initiative, capacity and judgment are given large scope to use their talents in continually expanding the production of wealth.

Exactly the reverse happens under socialism. Men are chosen not on the basis of demonstrated capacity, but rather for their cleverness as party workers or vote getters. Now getting votes, concocting plausible propaganda, deceiving the people and brainwashing may demonstrate ability of a sort, but such skills do not indicate one's capacity for successfully organizing and administering large undertakings.

Socialism therefore, has no means of selecting competent men to fill these important positions. In the first place it does not develop such men. They grow only in the soil of freedom, where self-reliance, initiative, thrift, integrity and risk-taking are fully rewarded in proportion to accomplishment. In the second place, even if it did, it would have no means of spotting them, and in the third place it would not use them even though it knew who they were, for it would prefer the party devotee, the fanatic who would devote himself to defending and maintaining the regime.

Socialism is Retrogression

Lastly, socialism cannot succeed because it is doubling on the trail. It is not progress, it is retrogression. God in His infinite wisdom seems to have been using the ages of the earth's existence for the purpose of creating unique individuals. One-celled animals are all about alike. In the masses of ocean plankton the individual is almost indistinguishable. As we go higher in the biological scale, individuality begins to appear. Sheep are much alike but they do have individual characteristics. Horses and dogs are more pronouncedly individuals, differing more one from another. Not until we reach the human level, however, do we find individuality becoming very marked. As men and women acquire education the distinction becomes greater, and when we pass from the

physical level over into the realm of spirit, we find the crowning achievement of the evolutionary process in the development of the individual human personality.

No two voices, no two faces, no two pairs of eyes and no two personalities in the wide world are exactly alike. Few even markedly resemble others. Men differ in aptitudes, talents, energy, and thinking power. How fortunate this arrangement! How boring it would be if we were all alike! Suppose we chose the same occupations, fell in love with the same man or woman, wished to live in the same kind of houses, to read the same books, and were without variation in our artistic tastes! The degree of differentiation attained will largely determine the civilization that is developed. Let us take an example from North America with which we are all familiar.

When our fathers landed on these shores there were probably about one million Indians living here. With their type of civilization there is no reason to believe that the territory comprising our forty-eight states ever would have supported much larger numbers.

The red men were all much alike. There was little differentiation in thought and in handicraft skills. Production was very low and the social organism continued century after century on about the same plane.

When Europeans came the scene changed. These men of different races, languages and religions had a complex and infinitely varied heritage. They were highly differentiated individuals as distinguished from the kind of mass-man which was the American Indian of that time. Some were skilled in the various arts and crafts, others in the learned professions of law, theology and medicine. When a great variety of human personalities give time and thought to the training of their varied faculties, archeologists, collectors, antiquarians, inventors, statesmen, scientists, engineers, architects, poets, musicians, and artists appear and a rich culture is created.

If we all do about the same things in about the same way

and with the same skills and mental processes, there is little diversification of labor and less inventiveness. Lack of initiative and new ideas result in low production and a static civilization. Until a high degree of individuality is developed, there will be no cultural attainment worthy to be called civilization.

The whole creative process seems to have been directed toward developing the unique individual. Each, then, is able to do something different from every other person. An infinite variety of thoughts, ideals, talents, skills and personality traits come into existence. This rich and varied texture of humanity makes possible the many emphases, ideas and abilities that bring forth a civilization.

Moreover, since each of these persons can do something which no other person can do, and functions in an unique manner, the interchange of goods and ideas makes possible an enormous increase in the production of wealth.

The degree of civilization attained is in direct proportion to the differentiation of individuals within a given society. Highly individualized people develop a high degree of culture, whereas the mass-man type soon forms stratified patterns at low cultural levels. Throughout the ages God has been fashioning the individual from the mass—creating something which might be said to be in His own image.

Now begins to appear the sense in which socialism is anti-God. It is rebellion against the creative process of God. It rejects God's plan of creating unique individuals and starts back down the trail toward obscuring the person in the mass.

Anti-God Nature of Socialism

Could the unique individual, different from every other person, survive under a socialistic regime wherein all men received similar care at birth, were processed through centrally

controlled institutions, nurtured on the books, publications and propaganda prescribed by government, crammed through universal military training and were thereafter dependent upon government aid provisions applicable to all alike, working at jobs supplied by government, drawing approximately the same salaries and fringe benefits resulting from socialism's equalizing tendencies, subsisting in government created houses with no down payment and the same few dollars per month forever, and wherein all men carried the same ration tickets, subsisted on the same quotas, retired on the same social security and finally, were buried at government expense in the government prescribed manner.

How long could individuality persist under such circumstances? Not only would the hope of further differentiation disappear, but such uniqueness as now exists would tend to disappear as the unevenness of personality was ironed down flat.

Thus we see the crowning injustice, impudence, and sin of socialism to be the destruction of human personality. It rears its head as the antagonist of God Himself. It would reverse God's plan and begin the process of reducing individuals to the level of a common denominator. It would force them into a common mold and destroy individuality.

Equalization of income by law and police power ignores the differences which God has created in men and insults their personalities. It fails to utilize the greater capabilities of some and reduces them to the average. Instead of raising them to the highest terms of which they are capable, it debases them. Socialism is a reversal of God's design for the development of human personality. It would replace man's allegiance to God as the highest governing authority and substitute therefor the all-powerful state. It ignores the first and great Commandment, "Thou shalt have no other gods before me" and places the state ahead of God as arbiter in the affairs of men. Under

socialism if one would live, he must obey the state rather than God.

The tragedy is that God-fearing men and women do not see the awfulness of the choice they make in aligning themselves with socialism. That God will win there is not the slightest doubt, but He will win faster and with infinitely more satisfaction to us if we cooperate in His plan.

Christian socialists may not realize it, but, as heretofore mentioned, it seems difficult to avoid the conclusion that they are appealing from God to Caesar. They seem to have lost faith in the power of God to transform society, and hope to do it through the police power of the state. In essence that is a repudiation of the New Testament method of improving the institutions of men by transforming individuals, through love and persuasion, as taught by our Lord Jesus Christ. He said,

> "And I, If I be lifted up from the earth, will draw all men unto me" (John 12:32).

He might have said that He would draw a majority of men unto Him and that the others would be coerced, but He did not say that. He never advocated force as a means of improving men but depended entirely upon the appeal of His message to transform the human heart. If our ministers would teach us this way of Christ until it inspired and illuminated our lives, they could reshape this sinful old world and its institutions. When they appeal to Caesar, to the coercive authority of government, they lose their power. "Not by might, nor by power, but by my Spirit, saith the Lord of hosts" (Zech.4:6).

When the rich young ruler declined to take Jesus' advice to sell his goods and give to the poor, the Master did not advise His followers to dispossess the young man and equalize the wealth. In this case, and all others, He was content to wait until the loving appeal of His message penetrated the heart. Coercion beyond the minimum necessary to protect life and

property is wrong. It is unchristian and was never taught or practiced by our Master, the man of greatest wisdom and insight who ever trod this earth.

Jesus saw clearly that any attempt to force men to share with others the benefits resulting from their greater intelligence and abilities was destructive to the character of both parties.

As we saw in Chapter Two, the Old Testament sought to establish a regime of righteousness and justice by the law and penalty method of state action. But law does not change human hearts. Men cannot achieve honesty, truthfulness, fairness, generosity, integrity and love by legislation. No amount of law and no penalty, no matter how severe, will produce goodness in men. Only the love of God as made manifest by Jesus Christ can do that.

The "Social Gospel" by Force Is Impossible

The "Social Gospel" sought through the coercive power of the state is impossible of attainment. It develops hatred between those who are despoiled and their beneficiaries. The former are discouraged and gradualy relax their efforts. Few people will work hard over a long period of time if they know they are going to be deprived of the fruits of their toil. On the other hand, those who receive more than they produce soon develop the attitude that the world owes them a living, and that they will be taken care of whether they work hard or take it easy.

No civilization has ever been built on that idelogy. It is written, "In the sweat of thy face shalt thou eat bread . . ." (Gen. 3:19). No nation has long survived after it developed the practice of empowering government to take money from the public purse and distribute it to this, that or the other group. When governments have obtained that power they have expanded its use under the steady pressure of their con-

stituents until high taxes, rising debt, inflation and bankruptcy have destroyed the nation.

The only safety lies in depriving government of all power to take wealth from some and distribute it to others. What we need is a voluntary "Social Gospel" as distinguished from a compulsory "welfare state." Let Christian charity flow out to those in need through private individuals and organizations. Let these be centered around our churches and motivated by loving Christian impulses. Christian charity is dying today because of heavy "welfare state" taxation. When thrifty, hard-working citizens see their tax money flowing out to loafers, wastrels and imposters, they are rightly resentful. Private appeals are met with the attitude, "Let the public services which tax me so heavily meet the need." After taxes many people are left with little available for Christian charity. When the state usurps the role of charity it destroys the kindly impulses of good will, friendship and gratitude among its citizens.

"Laissez nous faire" was used first in a religious sense, meaning let us alone to think, believe and worship in accordance with our own consciences. In shortened form as "laissez faire" it was used later in an economic sense, meaning let us alone to think and act as we wish as long as we do not injure our fellows. If men would succeed under this philosophy they must look to God for direction. Having a state with limited power, exercising few controls over them, they develop self-reliance and independence of judgment. They learn to depend upon the moral law. They come to recognize in it the basis of freedom, self-government, and success in their economic activities. Being responsible and independent they develop moral character. Only free men with the power of choice can become moral men. Take away from them the power of choice, direct their actions by the all-powerful state and they lose even the basis of being moral. They become amoral creatures much like slaves, following of necessity the directions of the state.

Socialism suppresses the godlike quality of man, takes from him his independence and makes of him a subservient creature. It harks back to the ancient coercive state with power to control the spirit of man, back to the herd, downward toward the slave camp à la Russia. It would undo all that men have achieved through milleniums of trial, error, toil and blood. It is a mirage that beckons men onward to their destruction. Shall we, at long last, recognize its real nature and turn from it while there is yet time, or must the world's bright vision of freedom, that has seemed within humanity's grasp these past two centuries, fade out as the waters of tyranny and statism close over mankind once more for an indefinitely long period of time? Shall our generation keep its face toward the light of freedom or succumb to the darkness of totalitarianism?

If it shall prove true that we cannot resist the false hope of something for nothing, and in covetousness seek to get more than we produce; if we cannot learn that taking the property of others by force, even though sanctioned by majority vote, is stealing; if we are unwilling to observe the moral law of God translated on Sinai and later interpreted and spiritualized by Jesus Christ, then we shall go the way of other stiff-necked generations of men that have preceded us, until in God's own time the desire for the liberty, which He built into the very nature of man, once more kindles into a flame hot enough to drive our descendants forth to win again the liberty which we did not have the wit and courage to hold.

Our fathers bequeathed to us this pearl of great price. Shall we preserve it and pass it on to posterity, or must our remote descendants, through renewed martyrdom and toil in centuries to come, retrace the bloody steps leading to a new age of peace and freedom wherein men will have another opportunity to achieve the destiny for which God created them?

Right now, in our time, that issue is being decided. May God arouse us to our responsibility and help us to acquit ourselves like men.

BIBLIOGRAPHY

Of the hundreds of good books expounding the philosophy of freedom and the free market system of economics, the author has found the following among those most helpful. We have thought it best not to discourage the reader with many titles, but to give a short and carefully selected list adequately covering the subject.

We have also added the names of a few publications for those who wish to keep in touch with some of the current literature expounding the nature and importance of freedom and how to maintain it. We do not agree with everything in the books and publications named but they are among the best.

Anderson, Benjamin McAlester. *Economics and the Public Welfare*. New York: D. Van Nostrand Company, Inc. 1949.

Bakewell, Jr., Paul. *What Are We Using for Money?* New York: D. Van Nostrand Company, Inc. 1952.

Chodorov, Frank. *The Income Tax, Root of All Evil*. New York: Devin-Adair Company. 1954.

Edmunds, Sterling E. *Struggle for Freedom.* Milwaukee: Bruce Publishing Company. 1946.

Flynn, John T. *Road Ahead.* New York: Devin-Adair Company. 1949.

Flynn, John T. *The Decline of the American Republic.* New York: Devin-Adair Company. 1935.

Garrett, Garet. *The American Story.* Chicago: Henry Regnery Company. 1955.

Haake, Dr. Alfred P. *Faith and Fact.* Harrisburg, Pa.: Stackpole Company. 1953.

Hamilton, Alex., John Jay and James Madison. *Federalist Papers.* New York: E. P. Dutton & Co. Inc. Many available editions including Modern Library.

Hayek, F. A. *Road to Serfdom.* Chicago: University of Chicago Press. Second edition 1956.

Hazlitt, Henry. *Economics in One Lesson.* New York: Harper & Brothers. 1946. Irvington-on-Hudson, N.Y.: Foundation for Economic Education. 1952. Paper edition.

Holman, Frank E. *Story of the "Bricker" Amendment.* New York: Committee for Constitutional Government. 1954.

Link, Henry C. *The Way to Security.* Garden City, New York: Doubleday & Company, Inc. 1951.

Lutz, Harley L. *Platform for the American Way.* New York: Appleton-Century-Crofts, Inc. 1952.

Manion, Clarence. *Key to Peace.* Chicago: Heritage Foundation, Inc. 1951.

Opitz, Heard et al. *The Kingdom Without God.* Los Angeles: Foundation for Social Research. 1956. Cloth and Paper.

Opitz, Edmund A. *The Powers that Be.* Los Angeles: Foundation for Social Research. 1956. Cloth and Paper.

Robbins, Lionel. *An Essay on the Nature and Significance of Economic Science.* London. Macmillan & Co. Ltd. Second edition 1935.

Robbins, Lionel. *The Great Depression.* London and New York: Macmillan & Co. Ltd. 1934.

von Mises, Ludwig. *Bureaucracy.* New Haven: Yale University Press. 1944.

von Mises, Ludwig. *Human Action.* New Haven: Yale University Press. 1949.

von Mises, Ludwig. *Planning for Freedom.* South Holland, Ill.: Libertarian Press. 1952.

Watts, V. Orval. *The United Nations: Planned Tyranny.* New York: Devin-Adair Company. 1955.

Weaver, Henry Grady. *Mainspring.* Irvington-on-Hudson, N.Y.: Foundation for Economic Education. First edition 1947, second edition 1953.

Essays on Liberty. Foundation for Economic Education, Irvington-on-Hudson, N. Y. Vol. 1, 1952, Vol. II, 1954.

Publications

Christian Economics
Christian Freedom Foundation
26 West 58th Street
New York 19, N. Y.

The Freeman
The Foundation for Economic Education, Inc.
Irvington-on-Hudson, N. Y.

Human Events
1835 "K" Street, N.W.
Washington 6, D. C.

Faith and Freedom
Spiritual Mobilization
1521 Wilshire Boulevard
Los Angeles 17, Calif.

Progressive Calvinism
366 East 166th Street
South Holland, Ill.

The Economic Facts of Life
American Economic Foundation
295 Madison Avenue
New York 17, N. Y.

The National Program Letter
The National Education Program
Searcy, Ark.

INDEX

Abraham, 19
Africa, 60
Amazon River Valley, 38
America: faith of founders of, 61; industrial giants of, 79-81; inflation in, 67; miracle of, 59-71; per capita income in, 127; reasons for success of, 71; spiritual development of, 60; spiritual resources of, 60
American Telephone & Telegraph Company, 76
American Viscose Company, 87
Ananias, 106
Anti-Christ, 123
Aristotle, 34
Asia, 60
Atomic Energy Commission, 111

Bible, 29-31, 44, 46, 48, 60
Bismarck, 114
Book of Acts, 106
Boston, 33
Bradford, William, 107-108
Brown, Dr. Harrison, 101
Business, Bible and, 30-31

Caesar, 93, 134
Caesars, 64, 66
Challenge of Man's Future, The, 101
Charity, Christian, 137
Child-care, Bible and, 29
China, 42
Christianity, 47, 52-53, 61
Civilization: and disappearance of middle class, 112; and wealth, 99-102; development of, 128-129; importance of individualism to, 132-134; industrial, thesis of, 101-102
Collectivism, 42, 44; among early Christians, 106; as violation of First Commandment, 43
Cologne (Germany), Cathedral of, 20-21

Communism, 42, 111, 124; in colonial America, 106-108
Competence, 36-38
Constitution, U. S., 109, 123
Crete, 63

Decalogue, *see* Ten Commandments
Depressions: causes of, 116; two compared, 116-119
Divine Right of the People, 108-111
DuPont Company, 87

Economics, 52-53; Bible and, 31; "Christian," 53
Economy, Ten Commandments related to, 49
Egypt, 19, 63, 99
Elizabeth II, Queen, 20
Europe, 60, 99, 101

Fabian Socialists, 115-116
Fascism, 124
Federal Reserve Bank, 68
Fifth Amendment, 44
First Commandment, 134; violation of, 43
Ford, Henry, 97-98
Fosdick, Dr. Harry Emerson, 33
France, 37, 99, 100; inflation in, 66; retirement in, 119
Freedom, 54-55; economic, 113; foundation of, 40-41; maintenance of, 47; need of knowledge for, 62; precepts necessary for, 52; principles of, 44-49; source of, 55; spiritual bases of, 48
Free market, value of, 125-127

General Motors Corporation, 75
George, Lloyd, 115
Germany, 42; inflation in, 66; Nazi socialism in, 124; "welfare state" in, 114-115; Western, 21
God, 19-55; anti-nature of socialism, 133-136; as Captain, 28-29; authority of, 54; denial of, 54; infinite power of, 24; in man's life, 19-39; Law of, 31, 46; laws of, 49-51; leadership of, 61; loyalty to, 41; power of, 26, 32; presence of, 32; spirit of, 54-55; supremacy of, 41; the architect, 27; the engineer, 27; will of, 53; worship of, 31-35
Gold, 59-102
Golden Rule, The, 55
Gold Standard, 71; *See also* under Money
Good Samaritan, 36
Government, 105-138: advocates of more control by, 123; controlled economy, difficulties of, 113; danger of power in, 121; duty of ministers toward, 123; growth of, 119-122; intervention failures, 114-116; intervention of, 124; involved in depressions, 117-119; limits of, 105-108; need of God in, 37; -planned economy, 42; principle of divine right, 109-111; socialism in, 124-138; *see also* under Socialism; subsidies, 112, 121
Great Britain, 20, 42, 99, 114; education subsidy in, 121; Fabian Socialism in, 115-116
Greece, 63, 64, 99; inflation in, 67
Greeks, 52
Gresham's Law, 63, 64, 66

Harvey, Paul, 92
Health: and research, 88; Bible and, 29-30
History, Bible and, 29
Hitler, 42, 115
Holland, 61

Industrial giants (of America), 72-81; identity of, 74-75; need for, 79-81; ownership of, 76-79; volume of business by, 76
Inflation, 63, 66-71; mystery of, 68
Interior, Department of, jurisdiction of, 110-111
Italy, 42

Jamestown, Virgina, 106
Jesus, 19, 33, 44, 45, 46, 52, 53, 91-92, 93, 122, 135, 136, 138
Jones, Rufus, 34

Keynes, John Maynard, 64, 97
Keynesian doctrine, 117
Keynesism, 116
Kinsey, Dr. Alfred, 50-51
Knowledge, fiscal, 62-71. *See also* Competence
Kremlin, 42, 48, 113

Law, 52; -and-penalty, 52; Bible and, 29; economic, 49-50, 51, 63; God's, 31; moral, 49-50, 50-51, 63, 66, 71, 137, 138; moral, and money, 70
"Laissez faire," 137
Liberty: charter of, 40-44; concept of, 53. *See also* under Freedom
Light-year, 22
Lord, Spirit of the, 54-55
Luther, Martin, 45

Man: and concern with God, 55; imperfections of, 34; in image of God, 34-35; loyalty to God, 41; relationship to God, 27-28, 29; true nature of, 34
Mao Tse-tung, 42
Marxist philosophy, 48, 54
Mayflower, 61
Mayflower Compact, 61
Middle Way, fallacy of the, 49-52
Milky Way, 22, 23
Missouri, 27
Money: dishonest, relationship between it and moral standards, 69-71; fiat, 67, 68, 70, 118; importance of trusted, 62-66; profit nature of, 82-90
Monsanto Chemical Company, 87
Moral Law, 71, 137, 138. *See also* under Law, moral
Morals, 55; Bible and, 29; decline of and dishonest money, 69-71; guide to, 46; law of, 49
Morecambe, England, 32
Moses, 19, 35, 40, 45
Mt. Sinai, 35, 40, 43, 45, 48, 138
Mussolini, 42

National Bureau of Economic Research, 110
Nehemiah, 21
New Deal, 120
New Testament, 135
Nile, 63

Old Testament, 52, 136

Peace, Bible and, 29
Penn, William, 31
Petrified Forest (Arizona), 35-36
Pharaohs, 63
Phoenicia, 99
Pilgrims, 61, 107
Plymouth colony, 107
Plymouth Harbor, 61
Presidency (of U. S.), 111
Profit: and progress, 88; and research, 87-88; and stewardship, 88-90; as benefit to consumer, 85-88; as motive, 82; definition of, 82; nature of, 82-90; origin of, 83-85
Protestantism, 109
Psalmist (quote), 25

Psalms (quotes), 33-34, 70
Psychiatry, Bible and, 29

Radio Corporation of America, 87
Reformation, 60
Research: and progress, 88; as function of profit, 87-88
Romans, 52
Rome, 64, 65-66, 99; fall of, 66
Russia, 42, 48; and control of money, 65; government-managed economy in, 113; socialism in, 124, 125, 127

Sabbath Day, 47, 61
St. John (quote), 34
St. Paul, 45; (quote), 28, 36
St. Peter, 106; (quote), 36
St. Thomas, 26
St. Lawrence River, 86
Sapphira, 106
Sermon on the Mount, 45, 55
Seventh Commandment, 47
Slavery, 52, 54, 65
"Social Gospel," 136-138
Socialism, 42, 111; approaches to, 124; as an anti-God, 133-136; as retrogression, not progress, 131-133; chaotic conditions possible in, 126-127; definition of, 124; Fabian, 115-116; method of obtaining capital in, 127-130; personal selection in, 130-131; reasons for failure of, 125-133
Solar system, 22, 24
South America, 60
Spain, 99
Stalin, 42
Standard Oil of N. J., 75
State, and God, 134-135
Statism, 41-42, 43; vs. individualism, 43
Strachey, John (quote), 42
Studies in Income and Wealth, 110
Subsidies, 112; evils of, 121

Ten Commandments, 31, 40-41, 44, 45, 46, 47, 48, 52, 55; impossibility of middle way in, 50-51
Tennessee Valley Authority, 111
Thanksgiving, first, 108
Tiber River, 66
Truth, 44, 51

Unemployment, causes of, 116
United Nations, 99, 127
United States, 99
U. S. Defense Department, 74
U. S. Government Organization Manual, 1953-54, 110
U. S. Steel Company, 75
Universe, celestial, 23; design of, 26-27; immensity of, 23-24; minutiae of, 24

Wealth: arbitrary distribution of, 128; consequences of division of, 95-98; division of, 91-102; effects of equalization of, 99-102; fallacies in division of, 93-95; knowledge of, 62; of America, 59; portion owned by federal government, 110
"Welfare State," 42, 43, 93, 122, 124, 137; ideology of, 44; in Germany, 114-115
Western World, 49
Wilson, Woodrow (quote), 121
World War I, 115
World War II, 20, 120
Worship, 19, 22, 36; creative, 31-35

Yugoslavia, socialism in (example), 129-130

DATE DUE

GAYLORD

PRINTED IN U.S.A.

HN31 .K41
God, gold and government; the
Princeton Theological Seminary–Speer Library
1 1012 00025 2942